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NASA Procedural Requirements

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NASA Equipment Management Procedural Requirements

Responsible Office: Logistics Management Division

NASA Interim Directive: NASA Equipment Management Procedural Requirements (May 19, 2008), NM 4200-63 (NASA Only)

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Preface

P.1. Purpose

This NASA Procedures and Requirements (NPR) 4200.1, Equipment Management Procedural Requirements, supports the policy outlined in the NASA Policy Directive (NPD) 4200.1, Equipment Management. It offers procedures for NASA personnel to use for the acquisition, management, responsibility, points of contact, and use of NASA-owned equipment. Consistent with the requirements contained within this NPR, Centers are encouraged to customize their equipment management procedures to meet their local requirements. The Federal Acquisition Regulations (FAR), Part 45; the NASA FAR Supplement, Part 1845; and the terms and conditions of individual contracts establish the policies and procedures for contractor accountable, NASA-owned equipment and for Center-accountable, NASA-owned equipment. The Installation-Accountable Government Property (IAGP) clause and NASA FAR Supplement 1852.245.71 also apply. Equipment acquired and/or furnished under NASA grants and cooperative agreements is subject to the requirements of NPR 5800.1, NASA Grant and Cooperative Agreement Handbook.

P.2. Applicability

This NPR applies to all equipment for which NASA is accountable at NASA Headquarters and NASA installations. When the provisions of this requirement conflict with provisions of international agreements covering property in foreign countries, or the FAR or NASA FAR Supplement concerning contractor-accountable equipment, the provisions of these latter documents prevail.

P.3. Deviation from This NPR

A deviation is considered to be any of the following:

- a. Use of a form different from a Standard Form (SF) or NASA Form (NF) prescribed by this procedural requirement.
- b. Alteration of an SF or NF, except as authorized by this NPR.
- c. Any policy, procedure, method, or practice inconsistent with this NPR. Deviations from this NPR shall be authorized only when special circumstances make such deviations clearly in the best interests of the Government. Only the Director, Logistics Management Division (DLMD) at NASA Headquarters, is authorized to approve such deviations.

P.4. Authority

- a. 42 U.S.C. 2473 (C) (1), Section 203(c)(1) of the National Aeronautics and Space Act of 1958, as amended.
- b. 40 U.S.C. 471 et seq., the Federal Property and Administrative Services Act of 1949, as amended.
- c. 41 CFR Chapter 101, Subchapter E, Federal Property Management Regulations, (FPMR).
- d. 41 CFR Chapter 102, Subchapter C, Federal Management Regulation, (FMR).

- e. FAR Part 45, 48 CFR Parts 45 and 52, Government Property.
- f. NASA FAR Supplement Parts 1845 and 1852, 48 CFR Parts 1845 and 1852, Government Property.

P.5. References

- a. NASA Financial Management Requirement Volume 6, Chapter 4,
<http://www.hq.nasa.gov/cfo/internal/fmr/> Accounting, Property, Plant and Equipment.
- b. NPD 1387.1, NASA Exhibits Program.
- c. NPD 4200.1, Equipment Management.
- d. NPD 4300.1, NASA Personal Property Disposal Policy.
- e. NPR 8621.1, NASA Procedural Requirements for Mishap Reporting, Investigating, and Recordkeeping Policy.
- f. NPD 9800.1, NASA Office of Inspector General Programs.
- g. NPR 3752.1, Disciplinary and Adverse Actions.
- h. NPR 4200.2, Equipment Management Manual for Property Custodians.
- i. NPR 4300.1, NASA Personal Property Disposal Procedural Requirements.
- j. NPR 4310.1, Identification and Disposition of NASA Artifacts.
- k. NPR 5800.1, Grant and Cooperative Agreement Handbook.
- l. NPR 7900.3, Aircraft Operations Management.
- m. NPR 8621.1, NASA Procedures and Guidelines for Mishap Reporting, Investigating, and Recordkeeping.
- n. NPR 8715.3, NASA Safety Manual.

P.6. Cancellation

NPR 4200.1E, Equipment Management Manual, dated July 1999.

Charles H. Scales
Associate Administrator for
Institutions and Management

Chapter 1: General Information

1.1 General Information for Equipment Management

1.1.1 Purpose

This chapter sets forth comprehensive requirements with respect to the acquisition, documentation, utilization, maintenance, inventory, and disposal of NASA-owned equipment.

1.1.2 General

1.1.2.1 Government equipment belongs to the Government and is to be used exclusively for the conduct of official business. Appropriate accountability measures will be used to move such equipment from one use, user, or location to another, including movement among offices, functions, programs, contractors, and Centers.

1.1.2.2 NASA Division directors (or equivalent organization heads), through their Center Directors, are the primary officials responsible for equipment assigned to their organizations. This responsibility includes ensuring that the equipment is maintained in a serviceable condition and that its use is in accordance with Federal regulations and NASA Procedures and Guidelines.

1.1.2.3 All equipment acquired by NASA, including that held under lease or loan, will be managed in accordance with this NPR.

1.1.2.4 All NASA organizations will use the NASA Equipment Management System (NEMS), described in NPD 4200.1, to identify, account for, and control Center-held equipment. The system requires accurate and complete item description, location, and condition to permit cost-effective Agency-wide control, equipment accountability, and reuse consideration wherever equipment is located.

1.1.3 Equipment Acquisition

1.1.3.1 NASA will acquire only that equipment necessary for the performance of Agency requirements. Each Center should evaluate alternative methods such as utilizing existing equipment, leasing, borrowing, or using contractor-owned equipment before the initiation of a new procurement or fabrication.

1.1.3.2 Prior to acquisition of equipment valued at \$25,000 or more, existing equipment resources will be screened in accordance with NPR 4300.1, NASA Personal Property Disposal Procedural Requirements. Equipment valued at less than \$25,000 may be screened at the option of the purchaser or equipment management organization, on a case-by-case basis.

1.1.3.3 Equipment nomenclature and description provided by the requiring office will be of sufficient detail to facilitate screening and subsequent identification and documentation consistent with the provisions of this NPR.

1.1.4 Recordkeeping

1.1.4.1 Records describing NASA equipment and actions affecting this equipment will be maintained as prescribed in this NPR, other applicable regulations, and the current Financial Management Manual, soon to be replaced by the Financial Management Requirement (FMR).

1.1.5 Utilization

1.1.5.1 The primary official identified in paragraph 1.1.2.2 shall perform annual walk-through inspections to ensure that equipment assigned to the organization is classified in the appropriate use status. Equipment no longer required for the performance of a specific NASA requirement shall be excessed by using proper documentation and forwarded to the Property Disposal Officer.

1.1.5.2 All equipment reportable to NEMS will be assigned to a user, and that user's name will be entered into the equipment record.

1.1.6 Inventory

1.1.6.1 NASA-held equipment will be inventoried pursuant to the requirements set forth in Chapter 4 of this NPR.

1.1.7 Disposal

1.1.7.1 Each Center shall maintain an effective program for timely disposal of equipment no longer required by NASA. Disposal will be accomplished in accordance with the requirements set forth in NPR 4300.1, NASA Personal Property Disposal Procedural Requirements.

1.1.8 Equipment Loans

1.1.8.1 NASA equipment and materials may be made available to organizations, private individuals, corporations, or other entities, provided the loan of such equipment is in the public interest and meets the conditions described in NPD 4200.1. Loans to NASA and onsite contractor employees will comply with this NPR. All loans will be documented and managed by the Center equipment management organization.

1.1.8.2 Government-owned equipment furnished under contracts or grants will be managed under the terms of the appropriate instrument and subject to the requirements of the FAR, NASA FAR Supplement, and NPR 5800.1, Grant and Cooperative Agreement Handbook.

1.1.8.3 Equipment loaned solely for use as a display or for use in an exhibit will be provided under the provisions of NPD 1387.1, NASA Exhibits Program. Controlled equipment, used for display or exhibit purposes, will remain in the NEMS database, accountable to the responsible property custodian and/or assigned users.

1.1.9 Equipment Acquired with Reimbursable Funds from Other Federal Agencies

1.1.9.1 All equipment acquired with reimbursable funds from another Federal agency will be controlled and accounted for by NASA, as prescribed in this NPR.

1.1.10 Equipment Transfer to or from other Federal agencies.

1.1.10.1 The National Aeronautics and Space Act of 1958, as amended, Section 203 (c)(6), provides that "Each department and agency of the Federal Government shall cooperate fully with the Administration (NASA) in making its services, equipment, personnel, and facilities available to the Administration, and any such department or agency is authorized, notwithstanding any other provision of law, to transfer to or to receive from the Administration, without reimbursement, aeronautical and space vehicles, and supplies and equipment other than administrative supplies or equipment." Transfers of equipment to or from other Federal agencies under this authority require the approval of the Center Director and coordination with the Center Supply and Equipment Management Officer (SEMO).

1.1.10.2 Transfer of excess personal property requires approval by the Center Property Disposal Officer and coordination with the General Services Administration, as described in NPR 4300.1.

1.1.11 Equipment on Lease or Loan to NASA.

1.1.11.1 Equipment on lease or loan to NASA will be identified and tracked by the Center equipment management organization.

1.2 Equipment Management Responsibilities

1.2.1 Purpose

1.2.1.1 This part sets forth the responsibilities of appropriate personnel at NASA Headquarters and each NASA Center for oversight and management of NASA's equipment management program.

1.2.2 Responsibility

1.2.2.1 The Assistant Administrator for the Office of Infrastructure and Administration is responsible for establishing equipment management policies and requirements for assessing the effectiveness of implementation. The Director of each Center will appoint a Supply and Equipment Management Officer (SEMO) to implement an effective equipment management program.

1.2.2.2 Each Center will develop appropriate local procedures, for all operating locations, that conform to the requirements of NPD 4200.1 and this NPR. Any deviations from NPD 4200.1 or this NPR shall be approved by the Director, Logistics Management Division (DLMD), NASA Headquarters.

1.2.3 Director, Logistics Management Division (DLMD), NASA Headquarters. The DLMD will:

- a. Establish policies for and provide requirements to the SEMOs.
- b. Provide direction for and ensure allocation of necessary resources for the operation and maintenance of the NEMS and related systems and procedures.
- c. Review and initiate action to issue, amend, or cancel NASA directives that govern the equipment management activities of the Agency.
- d. Assist NASA Centers in the development and operation of internal processes, procedures, and systems to ensure their compatibility with Agency programs.
- e. Establish necessary Agency performance measures and reports on the overall implementation of equipment management programs, and report periodically on that implementation to senior Center and NASA management.
- f. Conduct reviews and assessments of equipment management activities, and report significant findings to senior Center and NASA management.
- g. Define training requirements for all personnel in the property field, both civil servant and contractor, to ensure properly trained property personnel across the Agency.

1.2.4 SEMO. The SEMO at each Center shall:

1.2.4.1 Provide functional management, leadership and necessary resources to ensure the implementation of an effective equipment management program.

1.2.4.2 Establish a process to ensure that all personnel associated with the utilization of Government equipment receive documented, up-to-date property users training (with special emphasis on the consequences of poor stewardship and negligent use).

1.2.4.3 Ensure that equipment personnel are performing assigned property functions by prescribing appropriate procedures for user management of equipment that is consistent with the provisions of this NPR.

1.2.4.4 Ensure that department heads of organizations report quarterly to the SEMO regarding user concerns and relative property issues. This would include the results of walk-through inspections and the use and effectiveness of equipment pools, if applicable.

1.2.4.5 Ensure that all equipment loans, including those that support special programs, are properly administered.

1.2.4.6 Provide requirements to the division directors and end users in reporting all controlled property to the logistics organization for proper control and use, including direct deliveries.

1.2.4.7 Ensure that organizations and users are aware of the requirement to identify inactive equipment and ensure its reuse or disposal, as appropriate.

1.2.4.8 Ensure compliance with the procedures regarding loss, damage, or destruction of property and ensure that the functions of the Property Survey Board are being administered (See 1.2.16).

1.2.4.9 Implement the necessary equipment control procedures to ensure that the Center equipment management processes and procedures adequately provide for the care, management, and protection of Center-held equipment.

1.2.4.10 Provide for the establishment, operation, and maintenance of the NEMS database; appoint a NEMS Equipment Manager; and approve and periodically evaluate NEMS implementation of policies and procedures by reviewing the following:

- a. Record maintenance controls established for NEMS at the Center.
- b. Items designated for control as sensitive equipment.
- c. Controls established and maintained for sensitive items of equipment.
- d. Records of controlled-equipment transactions of the Center and its contractors with respect to NEMS Central Data Base (CDB) updates.
- e. Property management areas and property custodian assignments and training.
- f. Inventory documentation, follow-up actions, and results.

1.2.4.11 Approve or assign the NEMS Equipment Manager or other designee to approve all NEMS global changes.

1.2.4.12 Designate, in writing, the Center inventory team and inventory process.

1.2.4.13 Ensure that prescribed physical inventories of controlled equipment are taken and adjustments to property and financial records are accomplished and coordinated in accordance with Center policy.

1.2.4.14 Ensure that physical inventories are conducted when a new property custodian is assigned and direct special inventories, as appropriate.

1.2.4.15 Ensure that the Property Survey Officer and Property Survey Board have been appointed and are fully informed of their duties (See paragraphs 1.2.15 - 1.2.16).

1.2.4.16 Establish a transaction cutoff date with the Center Deputy Chief Financial officer (Center Finance Property Accountant) and review and approve, with the Center Finance Property

Accountant, the monthly reconciliation of the NEMS equipment records and the finance equipment type accounts (1551 through 1563). 1.2.4.17 Actively enforce the Center's policy concerning the disposition of property.

1.2.4.18 Identify items which shall be designated for control as sensitive equipment.

1.2.4.19 Ensure that whenever there is a transfer of assets from one entity to another, the receiver shall retain the asset classification (Federal Supply Class) as designated by the losing entity. Any reclassification shall be approved by the SEMO, recorded in NEMS, (after the transfer is initially recorded), and coordinated with the financial organization of the receiver.

1.2.4.20 Designate and monitor Center receiving zones to properly track incoming equipment.

1.2.5 Division director (Note: when used in this NPR, division director includes chief or equivalent organization head or designee). The division director is the principal official in the NASA Equipment Management Program responsible for all equipment, controlled and noncontrolled, assigned to the organization and in use by personnel within that organization, including all aspects of equipment condition and use. The division director shall:

1.2.5.1 Appoint appropriate property custodians and ensure that appointees have proper oversight and knowledge of the equipment used within their areas.

1.2.5.2 Ensure that equipment removed from the Center is in full compliance with the Center policies and procedures.

1.2.5.3 Ensure that all equipment loans are documented and tracked and are essential to accomplish assigned projects.

1.2.5.4 Ensure that loss, damage, or destruction of equipment is promptly reported, investigated, and reviewed to prevent recurrences and take corrective actions as recommended by the Property Survey Officer or Board.

1.2.6 Property Custodians

1.2.6.1 Property custodians are designated for each property management area or program area by the head of the organization, usually the division director or chief, with the approval of the SEMO.

1.2.6.2 Full-time property custodians may be appointed by the SEMO.

1.2.6.3 Property custodian responsibilities and procedures are defined in NPR 4200.2, NASA Equipment Management Manual for Property Custodians.

1.2.7 NASA Employees (users of Government property). Employees have a responsibility, as the users of Government property, to protect and conserve all equipment, supplies, and other property and materials entrusted to them. It is the user's responsibility to follow all rules and regulations associated with the property in their control. Additional employee responsibilities include the following:

a. Notifying the responsible property custodian and supervisor if equipment cannot be located. If theft of Government property is suspected, the property custodian or supervisor will notify the Center Security Officer and Office of Inspector General immediately.

b. Ensuring that Government equipment is used only (for its intended purpose) in pursuit of approved NASA programs and projects.

c. Identifying and reporting to their respective property custodians on the status of equipment not being actively used in pursuit of approved NASA programs and projects.

- d. Ensuring that equipment is turned in to the responsible property custodian when no longer needed. Under no circumstances will an employee personally dispose of Government equipment.
- e. Retaining stewardship of all items, controlled and noncontrolled, assigned to them and ensuring that the property custodian is immediately informed when he or she is no longer the primary user.
- f. Notifying responsible property custodians of all activity/movement associated with the user's assigned equipment.
- g. Notifying responsible property custodian of any modification to the equipment that may change the value of the equipment or the work in process.

1.2.8 Center NEMS Equipment Manager. The Center NEMS Equipment Manager is responsible for ensuring Center compliance with the Federal Property Management Regulations to maximize equipment utilization and to minimize procurement of new equipment. The Center NEMS Equipment Manager is appointed by the Center's SEMO and serves as the key interface among the equipment-using organizations and the property custodians and equipment users. The Center NEMS Equipment Manager is primarily responsible for the following:

- a. Establishing appropriate controls, maintaining adequate records, and overseeing cataloging functions for all equipment at the Center.
- b. Ensuring that NEMS reports are periodically reviewed and revised as needed and produced as scheduled.
- c. Controlling approved global changes to the NEMS database.
- d. Controlling record data changes. A record data change will change one or more data elements in a single record. The Center NEMS Equipment Manager is responsible for ensuring proper use of standard codes in establishing and maintaining the NEMS database and for processing and maintaining NEMS data.
- e. Ensuring the designation of property management areas and the appointment and training of property custodians.
- f. Providing property custodians with transaction documents and a summary report for controlled equipment items in their assigned property management area.
- g. Reviewing recordkeeping procedures and monitoring the performance of property custodians.
- h. Developing the cyclic and sensitive item equipment inventory schedules.
- i. Reconciling and adjusting equipment records as a result of inventory actions.
- j. Ensuring that the equipment record adjustments resulting from physical inventories and other actions are made available to the SEMO for review.
- k. Documenting inventory results for submittal by the SEMO to division directors and property custodians, also ensuring that written inventory summary reports are provided to other appropriate Center personnel and are properly maintained.
- l. Conducting a semiannual reconciliation of NEMS equipment records with the equipment-type accounts maintained by the Financial Management Officer. Differences will be mutually resolved, and the ending balance of Center-held capital equipment shall be established for reporting purposes. The reconciliation shall be jointly approved by the SEMO and the Financial Management Officer.

m. Processing item and value adjustments for NEMS transactions so that the net results are posted against the Equipment Module of the Logistics Information Management System (LIMS) by March 31 and September 30 of each fiscal year.

1.2.9 NASA Contractors and Contracting Officers

1.2.9.1 NASA contractors are responsible for equipment and other property as set forth in the FAR, the NASA FAR Supplement, and the applicable contract.

1.2.9.2 Contracting officers are responsible for ensuring that Government-furnished equipment or contractor-acquired equipment is managed pursuant to the provisions of the contract. In authorizing contractors' purchase or use of Government equipment, contracting officers will ensure the following:

- a. Requirements are verified by the appropriate project office. The Contracting Officer's written consent is obtained pursuant to FAR 52.244-2.
- b. Written determinations are executed by the appropriate Center official pursuant to FAR 45.302-1(a) (4).
- c. Existing Government assets are screened pursuant to NASA FAR Supplement 1852.245-70.
- d. NASA requirements for property management by contractors are included in the delegation instructions when property administration is delegated to other agencies.
- e. Contractors shall comply with the provisions herein as they pertain to contractor employee loans.

1.2.10 Industrial Property Officer

The Industrial Property Officer is the individual designated by the Center Director to manage and coordinate Center property matters among the various contracting officers, technical officials, contractor officials, delegated property administrators, and plant clearance officers. The responsibilities of the Industrial Property Officer, under the Contract Property Management Program, are outlined in NASA FAR Supplement 1845.7205. Generally, the Industrial Property Officer is responsible for the Contract Property Management function. This function includes the performance of required property administration and plant clearance, when required, but is not delegated to the Department of Defense.

1.2.11 Center Equipment Management Personnel, as designated by the NEMS Equipment Manager and approved by the SEMO, are further responsible for the following:

- a. Identifying, categorizing, classifying, and coding all existing, newly acquired Center-held equipment and contractor-held equipment. Before an equipment record is created, the designated NEMS controller shall review and record the valid manufacturer, model number, and standard item name by major noun with appropriate modifiers.
- b. Reviewing the NASA Form 1602, NEMS Transaction Documents, submitted by property custodians for equipment change and delete transactions, ensuring that appropriate supporting documentation is attached.
- c. Assisting property custodians and equipment users in the proper procedures and documentation of the following equipment actions: loans, transfers, turn-ins, excess, repairs, storage, replacement, modification or cannibalization, fabrication, found on station, and survey reports for lost, damaged, or destroyed equipment.
- d. Ensuring proper functioning of NEMS control operations (located within the Center's equipment

management organization). Standard operating procedures include entering the final transaction data on the receiving report and proofing the document for completeness. The final transaction information is then keyed into the database and processed into NEMS.

Necessary data are subsequently microfiched, microfilmed, or committed to another form of electronic storage, and the accountable property custodian is notified. Data is recorded at this point, and a NASA Form 1602 is generated and forwarded to the accountable property custodian.

1.2.12 NEMS Configuration Control Board is a permanent technical control group responsible for maintaining configuration control for the system. Members come from each Center and NASA Headquarters. The Board Chairperson convenes the group every second Tuesday of the month or as necessary.

1.2.13 Center Deputy Chief Financial Officer (Center Finance Property Accountant)

1.2.13.1 The Center Deputy Chief Financial Officer will conduct a monthly reconciliation of equipment type accounts with the property records maintained by the SEMO. Differences shall be mutually resolved; ending balances of Center-held capital equipment shall be established for reporting purposes.

1.2.13.2 Corrective adjustments shall be processed so that the net results thereof are reflected in all financial reports submitted as of September 30, each year (i.e., the Analyses of Fixed Assets Report (NASA Form 1490) and that the account balances are submitted via the accounting system (SAP) and the financial controls identified by Financial Management Requirement Volume 6, Chapter 4, Section 0801E.

1.2.13.3 The detailed property records required by this manual will not be duplicated by the Center Deputy Chief Financial Officer. Entries in the Center financial ledger accounts shall be independently developed by accounting personnel to the maximum extent practicable as set forth in Financial Management Requirement Volume 6, Chapter 4.

1.2.14 Center Security Officer. The Center Security Officer shall keep the SEMO fully informed concerning reported or suspected losses of Government property.

1.2.15 Center Property Survey Officer. Center Directors shall appoint, for a specified term, a Center Property Survey Officer with authority to approve all survey reports and investigate survey reports not handled by the Property Survey Board. The Property Survey Officer may refer surveys to the Property Survey Board or SEMO for their action. The SEMO, their supervisors, or subordinates shall not be designated as Property Survey Officers.

1.2.16 Property Survey Board or Equivalent. Center Directors shall establish a Property Survey Board, for a specified term, composed of two or more members (with alternates, as appropriate) and a chairperson who will investigate and make recommendations to the appropriate management level concerning the loss, damage, or destruction of property equal to or greater than \$5,000 in acquisition value. This would include items classified as sensitive. Loss, damage, or destruction cases involving items valued under \$5,000 do not require Property Survey Board review. These cases require only the Property Survey Officer's actions.

1.2.17 Property Disposal Officer (PDO). The Center Property Disposal Officer is responsible for the utilization and marketing of NASA personal property no longer needed by the acquiring organization. The responsibilities of the Property Disposal Officer are outlined in NPR 4300.1, Personal Property Disposal Procedural Requirement Chapter 1, and NPR 4310.1, Identification and Disposition of NASA Artifacts paragraph 2.5.1. The PDO ensures that available NASA property, including equipment, is transferred for further use to other NASA organizations (including NASA contractors), other Federal agencies, and eligible donors (including State and local governments,

schools, and colleges), in compliance with all applicable Federal laws and regulations. The PDO ensures that remaining equipment is sold to the general public in compliance with all applicable Federal laws and regulations.

1.3 Support for Special Programs

1.3.1 Purpose. This part sets forth equipment policies and practices necessary to support special programs sponsored by the Federal Government.

1.3.2 Small Business Innovation Research (SBIR) Program

1.3.2.1 To comply with Public Law 102-564, Small Business Research and Development Enhancement Act of 1992 (an amendment to Public Law 97-219, effective July 22, 1982), special provisions regarding equipment loans shall be implemented by the Agency. Profit-seeking organizations participating in the SBIR program shall receive consideration relating to Government property as represented in the following paragraphs:

- a. If the reclamation of property provided to profit makers leads to cost inefficiencies on the part of the Agency.
- b. When it is not cost effective to permit retention and title transfer to the small business, as outlined in NPR 4300.1, NASA Personal Property Disposal Procedural Requirements, the 1992 Act provides for a bailment (loan) of property to the small business for a period of not less than two years from the initiation of Phase III of the SBIR.

1.3.2.2 Loan agreements for Phase III activity shall be requested by the contracting officer and accomplished by the SEMO to include the following special provisions:

- a. The Phase III loan agreements shall be separate agreements from the Phase I and Phase II contracts.
- b. Loans to the SBIR and other profit-making organizations shall be administered by placing equipment on loan under Center inventory control and will be certified annually.
- c. The loan agreements will require no annual recertification or renewal during the first two years but will be recertified annually thereafter.
- d. The loan agreements will be accomplished based on the special needs of the organization requesting the loan. If more than one request is submitted for the same item, a decision will be based on priority.
- e. The loan must be coordinated with the appropriate contracting officer.
- f. Loans under the SBIR program will be authorized and approved by the Center Director or designee.
- g. The provision of this section applies to SBIR loans in lieu of existing loan provisions. However, accountability of loans will be administered in accordance with the provisions of this NPR.

1.3.3 High Performance Computing and Communications Program

1.3.3.1 To comply with the High Performance Computing and Communications (HPCC) Act of 1991 (15 U.S.C. 5501 et seq.), special provisions regarding equipment loans shall be implemented by the Agency.

- a. Schools participating in the HPCC program receive special consideration relating to Government

property.

b. The acquisition of equipment for the purpose of loans to K-12 schools is permitted in accordance with the HPCC Act.

1.3.3.2 Loan agreements for HPCC activities are requested by participating schools and will include the following special provisions:

a. The loan must be coordinated with the appropriate Center HPCC organization and the Office of Chief Counsel.

b. The SEMO is authorized to sign HPCC loans.

c. The provisions of this section apply to the HPCC program in lieu of existing loan provisions. Accountability and control aspects of the loans shall be administered in accordance with the provisions of NPR 5800.1E, Grant and Cooperative Agreement Handbook (See paragraph 3.4).

Chapter 2: Equipment Acquisition

2.1 Equipment Acquisition

2.1.1 Purpose. To establish uniform guidelines for the administration of equipment acquisition concerning property control and the logistics organization, including the preparation and coordination of equipment specifications, identification of unique equipment, and the approval to acquire the equipment. Receipt of any equipment that has not come through the Central Receiving will immediately be reported by the customer to the Equipment Manager. NASA equipment shall be acquired and used only to support official program or institutional operations. Equipment includes all items of property configured as mechanical, electrical, or electronic tools and apparatus, which function independently or in conjunction with other equipment that has a useful life of two years or more, and is not consumed in an experiment. This section applies to equipment-using organizations and controlled equipment which is acquired and used by NASA Centers. Controlled equipment is defined in Appendix A, Definition of Terms. This chapter sets forth administrative requirements for the acquisition and use of new or replacement equipment. NASA contractors are required to acquisition equipment in accordance with the FAR and NASA FAR Supplement.

2.1.2 Developing Cost Estimates

2.1.2.1 Preparation of supporting documentation (detailed explanation justifying project requirements) is required for all cost estimates involving capital equipment (\$100K, with a useful life of two or more years) to be acquired with funds from the following sources:

- a. Human Space Flight (HSF).
- b. Science Aeronautics and Technology (SAT).
- c. Mission Support (MS).

Additionally, this requirement applies to items costing \$250,000 or more or items collectively costing \$1 million or more for the same purpose.

2.1.2.2 Centers shall be required to provide supporting documentation for all equipment items and related facility projects that meet the capital equipment acquisition dollar levels.

2.1.3 Identification of Unique Equipment

2.1.3.1 Specialized equipment items or equipment systems generally not commercially available which, by design or function, may be subsequently redistributed and used for other purposes shall be designated as unique equipment at the time the equipment becomes inactive. The responsible division director or chief will make this determination in coordination with the NEMS equipment manager. When unique equipment becomes inactive, it must be reviewed throughout NASA for other use, following the screening procedures.

2.1.4 Equipment Acquisition Documents

2.1.4.1 Copies of purchase orders or documentation supporting the estimated costs of fabricated or prototype items may be used.

2.1.5 Procedures for Approving All Capital Equipment Acquisitions

2.1.5.1 These procedures shall establish equipment-approval authority at a level which ensures that

the approving officer is knowledgeable of the overall equipment requirements, the Center Director's equipment acquisition policy, and other Agency policy. The approving official will ensure that a review of the requirement is made by technically qualified personnel, preferably independent of the requiring office, and shall ensure that coordination is effected with any offices functionally responsible for management and control of the equipment. Examples of equipment that are subject to such reviews are transportation, photographic, automatic data processing, aircraft, safety, and weapons.

2.1.5.2 Prior to acquisition of an item valued at more than \$25,000, the contracting officer will ensure that appropriate consideration has been given to the Agency's existing equipment assets and that screening efforts have been accomplished through the Center's Disposal Office.

2.1.5.3 When transfer or loan from another Government agency or NASA Center is involved, the SEMO and requesting organization should be contacted for shipping and handling instructions. Requests for NASA Headquarters assistance in obtaining equipment from other Government agencies shall be coordinated by the SEMO, the Property Disposal Officer, and, if needed, the Headquarters (Agency) Logistics Manager.

2.1.6 Prescreening of NASA Property Disposal Management System (NPDMS)

2.1.6.1 For an item of equipment estimated to cost more than \$25,000, the requesting office should contact the Center Property Disposal Officer for the prescreening of NASA NPDMS records prior to initiation of a procurement request. Screening should be done to determine the availability of candidate equipment that may satisfy the requirement and, thus, avoid a new acquisition. This informal prescreening technique is designed to reduce lead time and paperwork in the event that existing equipment can be used. Also see Chapter 4.2. and Appendix D.

2.1.7 Approving Contractor Proposals for Equipment

2.1.7.1 Contractor proposals for equipment acquisition shall be processed and administered pursuant to the guidelines set forth in the FAR and NASA FAR Supplement and shall be submitted to the responsible contracting officer for approval.

2.1.8 Equipment Subject to Special Controls and Reporting Requirements

2.1.8.1 Additional special controls and reporting requirements are established for the following equipment:

2.1.8.2 Motor Vehicles. Separate annual calls are made for the Office of Management and Budget (OMB) and congressional budget submissions. Specific policies and procedures for the authorization, acquisition, utilization, and disposal of vehicles are set forth in NPR 6200.1, NASA Transportation and General Traffic Management. Federal Property Management Regulations, Amendment G-47, requires that passenger-carrying vehicles and trucks achieve a fleet average fuel economy as established by the Secretary of Transportation. In this regard, purchase requests and documentation submitted to the General Services Administration must include a NASA Form 925, Motor Vehicle Authorization and Certification, which has been approved or certified by the Logistics Management Team, NASA Headquarters.

2.1.8.3 Aircraft. The policies and procedures for aircraft acquisition are set forth in NPD 7900.4, Aircraft Operations Management and NPR 7900.3, Aircraft Operations Management. The requirements herein are for accountability and control.

a. To ensure accountability, control, and visibility of NASA aircraft, the Center Aircraft Management Officer (AMO) shall provide data to the Center SEMO for inclusion into the NEMS equipment file.

b. The AMO shall identify the purpose and use of all NASA-owned aircraft, active and inactive (e.g., decommissioned, displayed, parts, program support, research). The AMO will identify aircraft obtained solely for spare parts or for future programs; these aircraft shall be accounted for in NEMS as a spare parts aircraft. The purpose and use may be incorporated into the item name or documented in the local data field.

c. The AMO shall identify on the NEMS record the Federal Aviation Administration Registry Number or the NASA tail number of each aircraft. The number will be entered into the Unique Equipment Number field of the record.

d. The AMO must submit a Cannibalization/Modification Request (NASA Form 1617) for each aircraft acquired or identified as a spare parts aircraft. The SEMO and the Center Deputy Chief Financial Officer must be notified annually by the AMO of all value adjustments, or when the value of the aircraft drops 10 percent or more. The Cannibalization/Modification Request form will be reviewed, approved, and maintained on file and cost-value adjustments shall be processed accordingly. Based on the information provided by the AMO, the Equipment Manager will ensure that the NEMS equipment record for aircraft is accurately updated.

e. Center-owned aircraft and stock shall be under appropriate Center inventory and financial accounting controls. Annual physical inventories of Center-owned aircraft, including (aircraft) spare parts, shall be taken to determine the accuracy of the records in the NEMS control system. Adjustments shall be made to ensure that financial statements are accurate. The results shall be reconciled by the AMO and the SEMO and forwarded to the Center Deputy Chief Financial Officer.

2.1.8.4 System. Where components are assembled into a system, a Parent record needs to be established in NEMS to record the aggregate value of the system for financial reporting purposes. The following process is provided:

a. Assign an Equipment Control Number (ECN) NEMS tag to the item of equipment for tracking purposes. A new ECN is required, not the ECN of any component. The Parent record will be virtually tagged (see section (3.2.4).

b. The NEMS Parent Child Capability (PCC) must be used in order to attach the Parent record to all tagged components (Children) that comprise the system, as well as to identify the value of all non-tagged components.

c. No subsequent activity (e.g. loans, repairs, transfers, disposals) of a component (Child) attached to a Parent record is performed until the component has been removed from the Parent record. Adding or removing components will result in the value of the Parent record changing accordingly. The capital value of individual components will be rolled up into the capital value of the Parent record and removed from the component. Removing a component from a Parent record will result in the component regaining any capital value that it had before it was added.

2.1.9 Equipment Acquired for Use in Mission Support Under the Space Tracking and Data Systems Program

2.1.9.1 The acquisition of space tracking and data systems equipment shall be subject to the Work Authorization Document (WAD) procedures established by the Space Operations Program. The acquisition of all tracking and data acquisition equipment shall be administered only in accordance with these established procedures.

2.1.9.2 The Deputy Associate Administrator for Space Communications, Office of Space Flight Operations, shall provide to the SEMO input for the congressional budget for WAD-approved equipment acquisitions as set forth in the annual budget call. In addition, by November 15 of each

year, the Office of Space Flight shall provide a report for the preceding fiscal year of actions taken by Centers for the acquisition of equipment as required.

2.1.10 Fabrication of Equipment

2.1.10.1 Equipment that is fabricated at or by a NASA Center shall be sufficiently identified to enable appropriate Federal Supply Class identification and equipment accountability.

2.1.10.2 Documentation for, and description of, fabricated equipment shall be developed and furnished to the SEMO for use in determinations regarding the physical control of such items.

2.1.11 Acquisition of Office Furniture

2.1.11.1 Before purchasing new office furniture, the acquiring activity will check the local excess inventory for items that can be reused. Items of office furnishings costing \$5,000 or more shall be controlled, as set forth in Chapter 3, Equipment Administrative Procedures and Use, of this NPR.

Chapter 3: Equipment Administrative Procedures and Use

3.1 Equipment Control

3.1.1 Purpose. This chapter is intended primarily for equipment management personnel. It applies to Center-held equipment and sets forth the administrative requirements for establishing and maintaining the following:

- a. Equipment identification and accountability.
- b. Procedures for reporting on lost, damaged, or destroyed equipment.
- c. Equipment loan procedures.
- d. Offsite use of Government equipment by employees.

3.1.2 Controlled Equipment Classification and Control

3.1.2.1 Pursuant to the policy set forth in NPD 4200.1, Equipment Management, each NASA Center shall establish and maintain local procedures, meeting NEMS requirements for the administrative control of equipment. The procedures will apply to all equipment classifications. Such equipment shall be referred to generically as controlled equipment. Center policies shall, at a minimum, meet the requirements of this section.

3.1.2.2 Centers shall control all equipment:

- a. All capital equipment, with an acquisition cost of \$100,000 or more and with an estimated useful life of two years or greater that is not consumed in an experiment.
- b. All other equipment items with an acquisition cost of \$5,000 to \$99,999 (noncapital) and items identified and designated as sensitive items with an acquisition cost of \$500 or more shall be recorded and controlled under the procedures prescribed in this section. The sensitive item equipment list can be found in Appendix C.

3.1.2.3 The Equipment Type Accounts set forth in Appendix B are consistent with the Federal Supply Classification Code. The two-digit Federal Supply Group (FSG) shall be used to classify controlled equipment, reconcile and report capitalized equipment to finance, and determine the useful life of capitalized equipment.

3.1.2.4 Centers shall establish control of equipment within 3-5 days of receipt and acceptance, by marking the equipment with an ECN and entering the required data into the property database. For financial purposes, capital property records are considered to be subsidiary records to the NASA general ledger accounts.

3.1.2.5 Centers shall assign an ECN and control each system, subsystem, or part of a subsystem that meets the criteria for control and is supplied as a unit of controlled equipment on an acquisition document when:

- a. Component equipment items of the system or subsystem are interchangeable.
- b. Spare component equipment items are held for replacement of like component equipment items except when they are identified as Line Replaceable Units in an inventory management system.

c. They are stocked in a supply management repair program that controls repairable equipment items by issue location.

3.1.2.6 When acquisition documents do not identify equipment to the component level, Centers will enlist the assistance of technical personnel to identify and establish whether component equipment items meet any of the qualifications for control as prescribed under paragraphs 3.1.2.2 and 3.1.2.4.

3.1.2.7 When noncapital equipment is furnished to a contractor, the contractor's records shall serve as NASA's "stewardship" or custodial records for that equipment.

a. Centers may retire, to history, equipment records for furnished equipment when the equipment has an acquisition value under the capitalization threshold, upon delivery to, and receipt by the contractor. When this equipment is no longer needed by the contractor and returned, Centers shall activate retired records of equipment for NASA use.

b. Further transactions to noncapital items must be recorded through contract and contract-related documentation and other external systems, such as the Plant Clearance Automated Reutilization Screening System (PCARSS).

3.1.2.8 To facilitate financial recordkeeping and reporting, Centers will continue to maintain property records for all Government-furnished equipment with an acquisition cost exceeding the capitalization threshold. All transactions associated with these items, such as a change of custody between contractors, must be recorded and documents of the changes retained.

a. Center procedures shall require a review of the transfer documents to ensure that they reflect accurate and complete information as identified in NASA FAR Supplement 1845.7101-2. Each transfer document should clearly and separately identify any capital equipment that will be furnished to a contractor.

b. Centers shall establish a custodial account for each contract with Government furnished capital equipment. Three standard characters, "GFP" (Government Furnished Property), will appear in the first three characters of the custodian account field to differentiate between GFP and NASA-held property accounts for reporting. The Contracting Officer's Technical Representative (COTR) shall serve as the property custodian for these accounts.

c. Centers shall transfer all property that meets the capitalization threshold to these accounts.

d. Centers shall process and record changes in custody between contractors and contracts as changes to property custodial accounts. This includes changes between contracts with the same contractor, such as follow-on contracts.

e. Changes in custody between contractors holding contracts issued by different Centers shall require a corresponding inter-Center transfer.

f. Centers shall retire items to history when contractors report those items on contract disposal documents or when the contractor advises that they have been consumed (obsolescence is not the equivalent of consumption) during the production of the end-item deliverable or when they have lost their identity by incorporation into a contract deliverable. Center Industrial Property Officers, delegated Property Administrators, and Plant Clearance Officers will assist in collecting and disseminating documentation of these transactions.

3.1.2.9 New equipment that is received, delivered, and accepted (by a NASA official) will remain at a contractor's facility for use on the contract. This equipment shall be classified as "delivered in place." When the cost reported to the property system from the financial records exceeds the capitalization threshold, Centers shall:

- a. Add the equipment to the equipment records.
- b. Furnish the equipment to the contractor using the same receiving, transfer, and contract documentation as used for other capital-valued GFP.
- c. Transfer the property to the custodial account assigned to the contract.
- d. Require that a reconciliation process be established to reconcile capitalized asset transfers on a monthly basis and include with that process a formal confirmation between the gaining and losing parties.

3.1.2.10 Contractors are required by regulation to identify and appropriately segregate Government property in their possession. As a result, it is not necessary to provide a NASA ECN to the contractor for equipment which is "delivered in place" when these items can be recorded using unique identification techniques. Centers shall develop and implement procedures to ensure the collection of unique identification information by the receiving official, as necessary.

- a. Unique identification consists, at minimum, of a combination of the manufacturer (cage) code and serial number.
- b. The serial number must be clearly and permanently marked on the item.

3.1.3 Noncontrolled Equipment

3.1.3.1 Noncontrolled equipment includes items with an acquisition cost of less than \$5,000 and that are not classified as sensitive. Each Center shall develop internal procedures for managers, custodians, and users on the "what and how" of handling noncontrolled equipment. Such equipment shall be processed with appropriate documentation after receipt.

3.1.3.2 Each item of noncontrolled equipment shall be affixed with a "Property of U.S. Government" decal, NASA Form 1517 or 1517a, except when not physically or technologically feasible. Smaller versions of the decal are also available for use on small items of noncontrolled equipment. The use of the NASA Form 1517 on noncontrolled office furniture is optional.

3.1.4 Experimental and Fabricated Equipment

3.1.4.1 Center equipment that is designed or fabricated and meets the criteria for controlled equipment shall be controlled under procedures 3.1.2.2, except equipment integrated with test articles being experimented on and subject to frequent configuration change. If subsequent to experiment use an item's configuration and use becomes stable and otherwise meets the criteria for controlled equipment, Centers shall establish equipment control in accordance with this chapter.

3.1.4.2 Centers will monitor sources and locations of experimental and fabricated equipment to ensure that appropriate equipment control actions are accomplished when such equipment meets the criteria for control.

3.1.5 Equipment Located at NASA Centers Other Than the Funding Center

3.1.5.1 Center or location having possession of the equipment shall be responsible for equipment control and accountability regardless of geographical separation from the funding or acquiring Center except under short-term loans of equipment for tests, inspections, and other uses.

3.1.5.2 The Center responsible for administration of a contract is responsible for control and accountability of equipment furnished to that contract.

3.1.6 Equipment Directly Delivered to Nonfunding Centers

3.1.6.1 When equipment is directly delivered to another Center, the Center responsible for the procurement of the equipment must control the equipment until accountability and control are transferred to and accepted by the Center that received the shipment.

3.1.6.2 Establishing Control:

- a. The receiving Center is responsible for security of received property, regardless of the funding or procuring Center.
- b. The procuring Center's SEMO shall provide all available acquisition information to the receiving Center's SEMO when they become aware of situations in which equipment acquired by their Center procurement activity will be directly delivered to another Center. If the procuring Center differs from the funding Center, the procuring Center's SEMO will also provide all available acquisition information to the funding Center's SEMO.
- c. The receiving Center's SEMO will receive the equipment and send a copy of all receiving and inspection documentation to the funding Center's Equipment Manager and Center Deputy Chief Financial Officer. The receiving documentation will contain sufficient information to establish an equipment record.
- d. The funding Center's Equipment Manager shall add the equipment item(s) to the property data base according to and on receipt of the receiving and inspection documentation.
- e. As soon as possible after processing receipt of the item, the funding Center's Equipment Manager shall process a transfer transaction to the receiving Center.
- f. The receiving Center's Equipment Manager shall process transactions to receive the transferred property from the funding Center. The receiving Center's Equipment Manager shall retain the receipt and inspection form and contract or purchase order as the authorizing source documents.
- g. The receiving Center will return appropriate documentation to the funding Center's Equipment Manager to acknowledge receipt and acceptance of the equipment, with a copy to the receiving and funding Center Deputy Chief Financial Officer.

3.1.6.3 The receiving Center shall report (to the funding Center) that the equipment has been received, accepted, and tagged. The NEMS Equipment Manager shall immediately process a NEMS Transaction 01 (Receipt by Purchase - NASA Funded), using the contract or purchase order as the authorizing source document. Receiving documentation provided by the receiving Center will be forwarded to the Financial Management Office for costing and disbursement. NEMS Transaction 65 (Transfer to Another NASA Center) and shall be processed in NEMS, using the shipping document as the authorizing source document.

3.1.7 Equipment Found on Station (FOS)

3.1.7.1 The Center SEMO shall take immediate action to establish equipment accountability and control of all items found that meet the control criteria but that are not controlled in the Center's equipment records.

3.1.7.2 The Center SEMO is responsible for ensuring that a documented investigation is conducted for each case to determine the circumstances that allowed the equipment to be onsite (at the Center) without equipment management control. NASA Form 1618, Found on Station Equipment Investigation, will be used to document the circumstances and investigations (instructions are contained on the reverse side of the form).

3.1.7.3 Upon conclusion of the investigation, the SEMO will analyze all findings and facts

developed and forward a report to upper management, if necessary, recommending corrective actions necessary to prevent similar occurrences.

3.1.8 Classified Equipment

3.1.8.1 The NEMS shall be used throughout the Agency to identify, control, and account for Government-owned equipment acquired by or in use by NASA, which includes equipment that processes national security information and meets the parameters established by NPD 4200.1A. The only exceptions are Communications Security (COMSEC) materials and equipment, which are addressed separately under paragraph 3.1.8.2., and national security systems equipment deemed to be classified having Operations Security (OPSEC) impact. In such rare cases, only the NASA Principal Accreditation Authority (PAA) may exempt such equipment from NEMS, which shall be documented and placed in the applicable System Security Authority Agreement / System Security Plan (SSAA/SSP) and requires the NASA Designated Approval Authority/Certifying Authority (DAA/CA) to implement equipment accountability equivalent to or more stringent than NEMS. The tagging and tracking of national security systems equipment in the NEMS shall be done in such a way as to not divulge the security characteristics of the system or national security information itself. OPSEC shall be factored into the accounting process and dictate the specifics. National security systems shall be appropriately sanitized prior to access for tagging and accounting requirements by NEMS personnel. Classified magnetic media or National Security System (NSS) output shall not be placed into the NEMS process.

3.1.8.2 COMSEC materials and equipment (e.g., secure telephones) protect our Nation's most sensitive national security interests; they require special processes, special clearances, and special access. Only individuals with a need-to-know shall have access to COMSEC materials and equipment. Therefore, NASA COMSEC materials and equipment shall participate in the national Consolidated Material Control System (CMCS) process for accountability and shall not be entered into the NEMS.

3.1.9 Furniture and Furnishings. Office furniture and furnishings under \$5,000 are noncontrolled items; however, group records may be established and maintained by location, property management area, or Center.

3.1.10 Vendor-Owned Equipment Onsite. When a vendor installs or uses vendor-owned equipment at a NASA Center, for any reason, and retains title, such equipment must be clearly identified as being the property of that vendor.

3.1.11 Centers that allow employee-owned equipment onsite must ensure that such equipment is clearly identified as being the personal equipment of the employee.

3.1.12 Contractor Equipment Onsite. Pursuant to NASA FAR Supplement 1852.245-77, contractors must secure written consent from their responsible contracting officers, prior to their use (at a NASA facility), of equipment owned or leased by the contractors or of other equipment for which the contractors are accountable under any other Government contracts.

3.2 Controlled-Equipment Accountability

3.2.1 Purpose. This section sets forth requirements for establishing and maintaining effective controlled-equipment accountability that provides a continuous audit trail of an item from receipt until transfer of accountability or disposal.

3.2.2 ECN. Each item of controlled equipment will be physically identified with a singular ECN (See paragraph 3.2.4).

3.2.3 ECN Register. Each Center shall establish and maintain an ECN register. The SEMO will use the register to control the distribution of the ECN tags. The register will include the following data: ECN, signature of person(s) accepting blocks of tags prior to assignment, and date assigned or tagged.

3.2.4 Tagging of Equipment. Each item of controlled equipment, to include Flight Hardware Class I, Class II, and Class III, shall be affixed with an ECN tag upon receipt, inspection, and acceptance at the Center. This number will be affixed by means of a NEMS bar-coded tag or a mini bar-coded tag for small components and firmly affixed in a conspicuous place, preferably on the front of the item. The number may be etched or painted on items not conducive to the application of tags. As an additional option for assets that cannot be physically tagged due to form, fit, and/or function (e.g. the parent ECN/record for a system), a virtual tagging process shall be developed to assign a NEMS ECN that will be documented for audit purposes. This process shall be applied by exception only and could include putting the tag on the NF 1602, picture, or other traceable document." For virtual tagging, a request must be submitted in writing by the user with a detailed explanation to justify this exception. This request will be submitted to the SEMO for approval.

3.2.5 Reconciliation, Adjustment, and Reporting of Property Records and Financial Accounts Balances.

3.2.5.1 As required, a monthly reconciliation and adjustment of property records and general ledger accounts shall be conducted. Each Center Deputy Chief Financial Officer and SEMO shall establish a monthly transaction cutoff date to facilitate reconciliation. The Center Deputy Financial Officer and the SEMO will jointly sign the annual Analyses of Fixed Assets Report, NASA Form 1490, to reflect the agreed-upon ending balances that shall be utilized for financial reporting purposes.

3.2.5.2 The Analyses of Fixed Assets Report, NASA Form 1490, the account balances submitted via the accounting system (SAP), and the financial controls identified by Financial Management Requirement Volume 6, Chapter 4, Section 0801E must be in agreement.

3.2.6 Control of Documents. The Center shall develop detail procedures to ensure that all documentation and transactions affecting the accountable records, such as additions, deletions, and cost adjustments, are serially controlled and processed promptly. The Equipment Manager will ensure that copies of this documentation are maintained using microfiche or microfilm, electronic storage, or other methods deemed to be economical and responsive to this paragraph.

3.2.7 Receiving and Inspection of Equipment. Each Center shall establish a centralized receiving location for the processing of controlled items. Upon receipt of purchased equipment and prior to acceptance, an inspection must be conducted to ensure that the items received are consistent with the requirements of the acquisitions documents. The equipment will be inspected for possible damage and defects. If the item is delivered to the employee (desk top delivery), the employee receiving the item shall immediately take the purchased equipment to the central receiving location where accountability will be determined. Accountability shall be established for controlled equipment by preparing the documentation necessary for entering the equipment data into the NEMS database. Equipment delivered on a DD Form 250, Material Inspection and Receiving Report, or equivalent acceptance document or method, shall be fully priced per line item. An incomplete DD Form 250 will be referred to the appropriate contracting officer for correction. The assigned ECN are to be annotated on the receipt and inspection report along with any serial number, model numbers, or other appropriate identifying markings.

3.2.7.1 Other receipts of equipment shall be received and reviewed against the accompanying shipping documentation and, if accountable to the Center as controlled equipment, assigned an ECN the same as purchased equipment. Controlled equipment transferred in from another NASA Center

retains the ECN assigned by the initial acquiring Center.

3.2.7.2 Equipment entering the Center on loan or lease shall be handled and identified as required (See paragraph 3.4.9).

3.2.7.3 It is the user's responsibility to immediately notify the property custodian/SEMO of all controlled items purchased via credit card. Each Center must establish internal procedures to ensure that items purchased by this method are properly controlled and tagged. This would include hazardous material controls if appropriate.

3.2.8 Shipment of Equipment. Equipment to be hand-carried or shipped from the Center shall be documented and coordinated with the SEMO prior to the physical movement of the equipment to ensure that the proper actions and any adjustments are made to the NEMS equipment control records.

3.2.9 Removal of Tags and Other NASA Identification

3.2.9.1 The control number tag or other NASA identification shall be removed or obliterated when NASA control of equipment is discontinued, except for equipment shipped to a contractor as Government-Furnished Equipment. The number shall be canceled by the current accountable Center, but annotated on the reference document used to support the removal of the item from the NEMS control records.

3.2.9.2 Equipment shipped to contractors as Government-Furnished Equipment under their contracts shall retain the NEMS control tags or other NASA identification.

3.2.10 Removal of Equipment from the Center for Repair under the Terms of a Warranty. The Center shall maintain equipment control over equipment that is removed from the Center for repair, calibration, or under the terms of a purchase warranty.

3.3 Equipment Loans

3.3.1 Purpose. This section sets forth the authority, requirements, responsibilities, and procedures for authorizing and accomplishing the loan of NASA equipment. This section does not apply to the equipment loan policy for NASA employees or Center support contractor(s).

3.3.2 Policy. Loans made external to NASA must be made by an appropriate instrument. These loan agreements must be reviewed by the Office of the Chief Counsel (for equipment at a Center) or Office of the General Counsel (for equipment at Headquarters) and other appropriate officials and approved by the Center SEMO in accordance with the provisions or procedures of NPD 4200.1.

3.3.3 Procedures

3.3.3.1 Any NASA employee receiving a request for the external loan of NASA equipment will refer the request to the Center SEMO. Contacts regarding proposed loans should be made far enough in advance to permit orderly review and approval of the request and timely preparation of the necessary documentation.

3.3.3.2 The SEMO will coordinate loan requests with the user organizations. The division director or designee will certify that the equipment to be loaned may be released without adversely affecting Center requirements.

3.3.3.3 When the concurrence of the authorizing official has been obtained and the loan is to be made external to NASA, the SEMO will determine the appropriate method for accomplishing the loan.

3.3.3.4 If the loan is to be made to another NASA Center, it is not considered external but referred to as a "borrow" in NEMS.

3.3.3.5 If the loan is effected pursuant to the terms of any other type of agreement, the loan documents, correspondence, subordinate loan agreements, and shipping documents will be approved by the SEMO.

3.3.3.6 If the loan is to be effected with any foreign government or organization, it will be approved by the Office of External Relations, NASA Headquarters.

3.3.3.7 The actual physical movement of the equipment will be coordinated with the Center SEMO.

3.3.3.8 For each loan, the SEMO will ensure that a case file is established containing appropriate copies of authorizing agreements and all other pertinent supporting documentation.

3.4 Loan of Equipment to Government and Non-Government Organizations

3.4.5.1 NASA equipment may be loaned to Government and non-Government organizations, private individuals, corporations, or other entities, provided the loan is in the public interest and meets the following criteria:

- a. The borrower has both the facilities and capability to secure and safely operate the equipment.
- b. The loan will be temporary.
- c. It will benefit the Government.
- d. The borrower acquires no rights to the equipment.
- e. The equipment is not modified.
- f. The Center SEMO approves and, where applicable, the Office of the Chief Counsel (or the Office of the General Counsel for Headquarters property) concurs.

3.4.5.2 Custodian records of loaned or borrowed equipment will continue to be maintained by the lending property custodian. All loans off the Center will be made as prescribed.

3.4.5.3 Loans of equipment for use at home or for telecommuting initiatives must be necessary or beneficial to the conduct of NASA's missions or other official Government purposes.

3.4.6 Policy and Procedures for the Loan of NASA Equipment to Profit-Making Organizations for Purposes Not Covered in a Procurement Contract or Other Agreement.

3.4.6.1 NASA equipment may be made available to profit-making organizations only for purposes authorized by the Space Act and specified in the loan agreement. Loans of equipment under this paragraph must be authorized and approved by the Center Director or designee.

3.4.6.2 Before an equipment loan is accomplished, the following will be included in the supporting loan file:

- a. A statement from the user organization that release of equipment will not adversely impact the organization's operations.
- b. Coordination with the Center procurement officer to ensure that the user will not receive an unfair

competitive advantage for a Government contract.

c. A determination of whether monetary consideration will be required for use of the property.

3.4.6.3 Each loan and its supporting file will be concurred on and approved by the Office of the Chief Counsel (or the Office of the General Counsel, as appropriate) before execution by the Center SEMO or designee.

3.4.6.4 NASA Headquarters, Logistics Division shall be provided executed copies of all loan agreements involving equipment costing \$100,000 or more.

3.4.7 Inventory Control of Loans (Other Than Employee Loans) and Leases

3.4.7.1 The authorizing officials will ensure that each loan agreement shall not exceed one year initially. It will contain a provision requiring the borrower to report and certify annually to the lending Center SEMO, on the anniversary date of the loan, a recertification statement. The recertification statement shall contain the identification number assigned to the equipment, its name, current location, date physically sighted, current use, and validation of the requirement for continuation of the loan.

3.4.7.2 The SEMO or designee shall develop and maintain a suspense system for loans and leased equipment to ensure that equipment is returned or leases are extended. A Loaned Equipment Expiration Report and a NEMS Report 133, Leased Out Equipment Return Candidate List, can be generated to review the status and expiration of loans or leased equipment. If loan extensions are determined necessary, the loaning officials will submit a recertification statement. Authorizing officials must review and certify extension of expired leases before renewal to ensure outgoing leases do not exceed temporary use policy.

3.4.8 Control of Incoming Loans and Leases

3.4.8.1 All incoming loans and leases of equipment that meet the criteria for control, regardless of source, shall be processed at the time of receipt by the SEMO. Leased equipment under NASA-wide contracts, such as cost-per-copy-service contracts, are exempt.

3.4.8.2 Any organization loaning or leasing equipment to NASA must have a written agreement with NASA, stating the loan purpose and period.

3.4.8.3 All loaned or leased equipment meeting the criteria for control shall be entered in NEMS under the following guidelines:

a. Equipment identified in writing for lease or loan for 60 calendar days or less need not be accountable in NEMS if appropriate documentation is on file in the equipment organization and equipment is physically identified as belonging to the borrower. The borrower is responsible for returning the equipment, through the equipment organization, within 60 calendar days.

b. For equipment meeting control criteria, adequate controls shall be established by processing NEMS Transaction 8 (Receipt from Lease In) or Transaction 9 (Receipt from Loan In), as appropriate.

c. The cost for incoming loaned and leased items will be the estimated original acquisition cost (See Appendix F).

d. The NEMS Equipment Manager will request a NEMS Report 130, Loaned In Equipment Expiration Report, monthly. This report generates all incoming loans due to expire within 30 days of the date of the report. The using official must review the loan requirement and arrange for return of the loaned equipment or request extension from the authorizing official of the loaning organization.

e. The NEMS Equipment Manager will request, as required, NEMS Report 132, Leased In Equipment Return Candidate List. This report generates all incoming leases due to expire within a selected date range. The using official must review the lease requirement and arrange for return of the leased equipment or request an extension from the authorizing official of the leasing organization.

3.4.8.4 As required by Financial Management Requirement Volume 6, Chapter 4, leased equipment is also subject to capitalization if the original acquisition cost is \$100,000 or more, the useful life is two years or more, and the terms of the agreement are equivalent to an installment purchase. Installment purchase means one of the following:

- a. The lease can be converted to ownership at end of lease.
- b. The lease contains option to purchase at a bargain price.
- c. The noncancelable length of lease is equal to or greater than 75 percent of the estimated economic life.
- d. The present value of rental or other minimum lease payments equals or exceeds 90 percent of the fair market value.
- e. Criteria (c) and (d) do not apply if the beginning of the lease term falls within the last 25 percent of the total estimated economic life of the leased property.

3.4.8.5 All incoming leased equipment shall be reviewed by the financial management organization to determine when capitalization requirements apply. When financial management determines that a leased item will be subject to capitalization, the NEMS Equipment Manager shall do the following:

- a. Ensure that the Loan or Lease Document Number field begins with a "C."
- b. Request NEMS Report 136, Leased Equipment Subject to Capitalization, as of September 30 each year. Forward Report 136 to the financial management organization by October 4, for preparation of the Analysis of Leases Report, according to Financial Management Requirement, Volume 6, Chapter 4.

3.4.9 Identification of Equipment on Loan or Lease to the Center. Each Center shall affix a NEMS bar-coded loan or lease tag to incoming loaned or leased equipment at the time of receipt to show clearly that such equipment is not owned by the Center.

3.4.10 Leased Equipment Converted to Purchase. When NASA takes title to a leased item, the bar-coded paper lease tag should be replaced with a bar-coded permanent tag, and the item should be processed into NEMS with Transaction 21 (Lease to Purchase). The add transaction should record the original lease tag number in the previous ECN field and record the estimated fair market value in the Cost field. The leased record is then deleted in NEMS with Transaction 87 (Conversion of Lease to Purchase).

3.4.11 Control of Borrows between Custodians or between NASA Centers. To differentiate internal loans from external loans within NEMS, the term "borrow" is used for items moving within NASA for temporary use. Borrows are initiated by one custodian at the request of another custodian at the same-Center or by one NASA Center at the request of another NASA Center. For same-Center borrows, NEMS Transaction 38, Borrowed Out, should be used; for intra-Center borrows, NEMS Transaction 65 should be used. NEMS generates monthly suspense reports based on this activity. Return of a borrowed item to an accountable custodian is accomplished with Transaction 39, Borrowed Out or Returned (same-Center) or Transaction 04, Receipt by Transfer - From NASA Installation (intra-Center). The SEMO or NEMS Equipment Manager or designee will initiate

another NASA Center's equipment borrow request through locally established documentation. Upon request, NEMS Report 134 (Borrowed Equipment Return Candidate List) and NEMS Report 350 (Borrow Out Greater Than One Year) may be generated to ensure equipment return or transfer.

3.5 Removal and Use of Equipment by Employees

3.5.1 Purpose. This section describes procedures and responsibilities for the onsite and offsite removal of Government equipment, (controlled and noncontrolled) by NASA civil service or onsite contractors.

3.5.2 General Policy

3.5.2.1 Center equipment may be temporarily loaned to employees for use at home or elsewhere when the authorizing official determines it is necessary or beneficial in the conduct of NASA's missions or other official Government purposes.

3.5.2.2 Determinations shall be made in writing and will specify the purpose and loan period. Loan extensions shall be requested prior to the expiration date of the loan. Equipment will be returned when the specified purpose for the loan is no longer valid or at the end of the approved loan period, whichever is earlier. Flexible workplace agreements may contain provisions for long-term equipment loans to individual employees. Equipment loaned in this manner need not be returned for inventory/inspection until the agreement is terminated.

3.5.2.3 Employee loans shall be issued for an initial period of up to six months or upon completion of the project if shorter. Renewal beyond the initial six-month period must be reviewed by the division director and approved by the SEMO. If the equipment is required beyond 12 months, (a new loan request will not be required) the employee will submit a written explanation requesting continued use of the item. The request will be forwarded to the appropriate approving authority, using the original loan number and data from the original loan request.

3.5.3 Approval to Remove

3.5.3.1 Approval to remove equipment from the Center for offsite use by a NASA employee will be granted by the division director and approved by the Equipment Manager, provided the request is in accordance with the policy of this paragraph and Center policy. The division director must also provide certification that removal of the property will not adversely affect the performance of official duties in the division by the requesting employee or any other division employee and that the equipment being removed is not excess equipment. For onsite contractors, the additional approval of the Contracting Officer's Technical Representative (COTR) and the contracting officer shall be required before removal.

3.5.3.2 Failure to meet these policy requirements can lead to disciplinary action for the employee, especially if loss, damage, or destruction occurs during the removal period.

3.5.4 Procedures

3.5.4.1 Prior to the removal of Government-owned equipment from a NASA Center (for offsite use), the requester will perform the following:

- a. For Short-Term Loans (not to exceed 30 days): The loan shall be documented using NASA Form 892 Property Removal Permit or equivalent.
- b. Loans exceeding 30 days (but less than 180 days) shall be documented using a Center loan agreement between NASA and the borrowing employee.

c. Loan documentation shall indicate the requester's name and organization identification, the purpose for use and removal of the equipment, and an explanation of why the official use cannot be accomplished onsite during normal business hours. Loan agreements must be approved by the division director and concurred on by the Equipment Manager.

d. The requester will submit the NASA Form 892 to the property custodian for signature. A copy of the NASA Form 892 or loan agreement shall be retained by the applicable property custodian until return of the equipment has been verified.

e. The requester will return the equipment by the date shown on the NASA Form 892 or loan agreement or request an extension beyond the originally approved period. The extension shall be submitted in writing to the division director and submitted to the Equipment Manager for final approval.

3.5.4.2 Loans of controlled equipment exceeding 30 days shall be annotated using NEMS Transaction 38 (Borrowed Out). When the equipment is returned, NEMS Transaction 39 (Borrowed Out Returned) will be processed to update NEMS.

3.5.4.3 Center loan agreements shall specifically detail the responsibilities of the employee with regard to the proper care and treatment of the equipment and will clearly state that the employee is subject to disciplinary action or pecuniary liability resulting from loss, theft, damage, destruction, negligence, misuse, dishonesty, or wanton and willful misconduct.

3.5.4.4 Employees will notify the responsible property custodian when the loaned equipment is returned. The property custodian will provide appropriate notification to the Equipment Manager.

3.5.5 Limited Personal Use of Government Office Equipment Including Information Technology

3.5.5.1 In accordance with NPD 2540.1F, Personal Use of Government Office Equipment Including Information Technology, NASA employees may use Government office equipment for personal needs if the use does not interfere with official business and involves minimal additional expense to the Government. This limited personal use of Government office equipment should not take place during the employee's scheduled work time, with limited exceptions including brief exchanges of information with doctors' offices, car repair shops, child care facilities, and schools during their establishment's regular office hours. Employees are specifically prohibited from using Government office equipment to maintain or support a personal private business or to assist relatives, friends, or other persons in such activities. For further definition of "Limited Personal Use," employees are encouraged to review NPD 2540.1F or contact their local Equipment Manager.

3.5.6 Shipping Equipment by Center. The NASA Form 892 shall not be used in lieu of a shipping document. In cases where shipment by the Center is required, a properly prepared shipping document will accompany the equipment. A shipping document must be prepared for items of equipment that are hand-carried.

3.6 Equipment Use

3.6.1 Purpose. This section establishes guidelines for the use, custody, care, and reporting of controlled equipment while in the hands of using organizations.

3.6.2 Property Management Areas

3.6.2.1 A responsible organization must require that the appointed property custodians ensure effective control and surveillance of areas where controlled equipment is maintained. The SEMO is required to establish a property custodial account number for each area. The custodial account

number will identify all controlled equipment assigned within the area for which the management of the user organization is responsible. The account number will be used for recording transactions against the account in the Center's NEMS database.

3.6.3 Assignment and Responsibilities of Property Custodians

3.6.3.1 A property custodian shall be assigned for each defined property management area. The duties of the property custodian are set forth in NPR 4200.2, NASA Equipment Management Manual for Property Custodians.

3.6.3.2 All equipment shall be assigned to a primary user. The primary user will assume responsibility for stewardship of the equipment and should report any changes of status, location, or user to the property custodian.

3.6.4 Walk-Through Inspections

3.6.4.1 Walk-through inspections are required by FPMR Sections 25.109-25.109-2 and 101-43.101, and shall be performed by each division director, or designee, accompanied by the property custodian. The walk-through inspection will include all locations both onsite and offsite for each property management area for the following purpose:

a. Identifying inactive or underused equipment (for reutilization) that is no longer required or which is expected to become inactive in the near future. The equipment will be routinely inspected to ensure that scheduled or necessary maintenance is being performed and that the equipment is up to date and in keeping with established performance requirements.

3.6.4.2 Each NEMS item identified as inactive, including those in storage, will be reported to the NEMS Equipment Manager.

3.6.4.3 A Memorandum for the Record, covering the results of the walk-through, will be prepared by the division director. A copy shall be maintained on file by each property custodian for each property management area, and a copy will be forwarded to the SEMO.

3.6.4.4 The SEMO shall prepare a report annually for the Center Director, describing the previous calendar year's walk-through program and results.

3.6.5 Sensitive Equipment Items

3.6.5.1 Equipment items that have an acquisition cost of \$500 or more and are easily pilfered and desirable for personal use shall be identified as sensitive equipment. Weapons and other potentially hazardous equipment items, that are dangerous in nature, shall be controlled as sensitive, regardless of cost or value.

3.6.5.2 Appendix C of this NPR identifies required items of equipment that must be controlled as sensitive. The attached chart should help in determining what should be controlled and what should not be controlled. Additionally, Center policy can prescribe more rigorous requirements than Agency policy but cannot prescribe less rigorous policy. (For example, you could choose to control a camera even if it is less than \$500. However, if it is more than \$500, you must control it). The Center SEMO must submit a request to NASA Headquarters to add items to the Agency's Sensitive Item List, with detailed justification to support the item(s) being considered sensitive. Approval or disapproval will be made by the NASA Headquarters, LMO.

3.6.5.3 Each property custodian shall establish the following special controls for the sensitive items that have been identified in their respective NEMS account(s):

a. Sensitive items shall be assigned to a primary user. The property custodian will obtain the user's

signature on NASA Form 1602. After completion, the form will be submitted to NEMS Control (See Appendix A.54) for processing if the property custodian module is not used. There are two property custodian modules, mainframe and Web-based. The primary user assumes responsibility for surveillance of the sensitive items and should report to the property custodian any changes of equipment status, location, or user.

b. Sensitive items will be secured, when practical, when not in use.

c. Sensitive items will not be out of the possession or control of the person to whom they are assigned.

d. All loans of sensitive items will be revalidated as required policies; however, sensitive items in Center-wide pools are exempt from this revalidation requirement.

e. The assigned primary user must be able to produce all sensitive items not on current documented loan within 24 hours.

f. Due to their inherent potential for being pilfered, special care should be taken to ensure that underutilized or idle sensitive items are properly secured.

3.6.5.4 At the discretion of the SEMO, an unannounced special inventory of sensitive items may be conducted. The inventory shall be performed by property management personnel or contractor representatives. This special inventory shall verify that special controls have been established and that all sensitive items are accounted for as required. The SEMO can provide the listings by using NEMS Report 140 (Custodian Account Property Record) selecting sensitive items only.

3.6.6 Cannibalization of Equipment

3.6.6.1 With prior written request from the responsible division director, equipment may be cannibalized (See Appendix A, Definition of Terms) when justified to fulfill equipment requirements. Written approval from the SEMO has to be obtained prior to disassembly of equipment. This approval shall be documented using NASA Form 1617, Request for Cannibalization or Modification of Controlled Equipment.

3.6.6.2 Requests will include the equipment control number and a brief description to include the make, model, serial number, and value of the item to be cannibalized. Additionally, it shall include a brief statement as to the reason for the cannibalization and whether or not the cannibalized item will be retained for future use. Cannibalization or modification requirements do not apply to the removal and replacement of system components for operational purposes.

3.6.6.3 An approved NASA Form 1617 shall be submitted to the NEMS Equipment Manager for appropriate adjustment of the equipment control record. Any residual unused materials will be turned in for reutilization or disposal. When cannibalized capital equipment is removed from the NEMS database, the adjustments will be submitted to the Center financial management organization.

3.6.6.4 In those cases where an item that has been modified will continue to function and only the value has changed, the new value for the item still must be reported to the Equipment Manager on NASA Form 1617 for adjustment of the equipment and financial control record, as appropriate. Modifications to equipment require an adjustment to the equipment and financial records when the modification cost will affect the value of the item to increase above \$99,999 or decrease below \$100,000. The SEMO will ensure notification to the Deputy Chief Financial Officer of the cost change.

3.6.6.5 Normally, equipment available from other NASA Centers, contractors, or other Government

agencies will not be acquired solely for cannibalization. Exceptions to this rule will require directorate or higher-level approval. The NEMS Equipment Manager will maintain the approval document in the equipment entry reference number microfilm or in the microfiche source document file for the item(s) acquired.

3.6.7 Retention of Inactive Equipment. The nature of NASA operations occasionally makes it desirable to retain equipment, not in current use, for a specified time for other potential needs before further disposition. Equipment may be retained in an inactive status by the Center for one of the following specific purposes and under the conditions indicated.

3.6.7.1 Firm Future Requirement. A firm future requirement may be considered a specific purpose for equipment retention, provided that the equipment has been identified for use on a project, program, or other work activity, the planning of which has been approved by the Center Director. All equipment held for firm requirements shall be recertified annually by the director of the owning organization.

3.6.7.2 Heritage Asset. Equipment may only be classified as a heritage asset and retained by the Center in an inactive status if it meets one or more of the following criteria: (See FMR Volume 6, Chapter 4, for Heritage information).

- a. Historical or natural significance.
- b. Cultural, education, or artistic (e.g., aesthetic) importance.
- c. Significant architectural characteristics.

3.6.7.3 Retention of equipment designated by the Center Director for emergency standby purposes may be justified. The director of the owning organization, for continued retention, will review this equipment annually.

3.6.8 Reporting and Control of Inactive Equipment Retained by NASA Centers

3.6.8.1 The equipment held in an inactive status shall be reported to the SEMO for further processing in accordance with existing storage guidelines:

- a. The turn-in document will be annotated to reflect the purpose for retention and the length of time the equipment is to be held.
- b. The equipment transaction documentation will reflect pertinent data relating to the inactive designation of the equipment, including the results of cyclic review and recertification.
- c. All inactive equipment subject to reutilization screening shall be classified as status code B (See Appendix F).
- d. Equipment that is not readily movable or is specifically located for emergency purposes should be held in place and tagged to indicate its inactive status.
- e. For continued retention of inactive equipment, an annual written recertification shall be provided by the division director or designee of the storing organization.
- f. The SEMO shall submit, monthly, a list of all inactive equipment to the Deputy Chief Financial Officer so that the item may be removed from the financial records.

3.6.9 Unconditional Donations of Property to NASA from Entities other than Federal Agencies

3.6.9.1 NASA may accept unconditional donations of property from external entities (i.e. private industry, academia) provided that the external entity submit, in writing to the Center, that the

donation is unconditional. The written statement from the external entity should also specify the property being donated to include an item description, model number, serial number, and fair market value. Additionally, the NASA technical organization wanting the property should submit a justification to the Equipment Management organization stating how the property will be utilized. The written statement from the external entity along with the justification from the technical organization will be submitted to the Equipment Management organization. The Equipment Management official will review the statement from the external entity and the justification from the technical organization. If the justification indicates that the property will be actively utilized, all documentation will be forwarded to the Center's Office of the Chief Counsel to review. If the Office of the Chief Counsel indicates there is no legal reason why the property cannot be accepted, SEMO approval will be obtained. After SEMO approval, the entity will be notified to release the property to NASA. Once received by the Center, the property will be processed in accordance with NPR 4200.1.

3.6.10 Artifacts

3.6.10.1 The handling of artifacts shall follow the procedures stated in NPR 4310.1, Identification and Disposition of NASA Artifacts.

Chapter 4: Equipment Physical Inventories

4.1 Inventory Scheduling and Personnel

4.1.1 Purpose. To define requirements and procedures for conducting physical inventories of Center equipment, the following is provided:

- a. Objectives of the inventory process.
- b. Types of inventories.
- c. Inventory schedules.
- d. Personnel and resources required to conduct equipment physical inventories.

4.1.2. General Objectives

4.1.2.1 As an essential element of the NASA Equipment Management Program, physical inventories provide a means for the following:

- a. Determining the completeness and accuracy of the equipment records system and financial equipment accounts.
- b. Reconciling and adjusting the equipment records and financial accounts as required.
- c. Assessing the effectiveness of equipment control procedures and operations.
- d. Obtaining information needed for accomplishing broader aspects of equipment management, such as equipment utilization and repair.

4.1.2.2 Physical inventories are designed to achieve the following objectives, depending on the type of inventory being taken:

- a. Verifying that recorded equipment is still on hand.
- b. Confirming or determining current user location and custodial responsibility for equipment.
- c. Identifying unrecorded equipment that qualifies for control.
- d. Locating or identifying missing equipment.
- e. Identifying obviously unused or underutilized equipment.
- f. Identifying equipment obviously in need of repair or rehabilitation.

4.1.3 Types and Frequency of Inventories

4.1.3.1 A complete (wall-to-wall) physical inventory of controlled equipment shall be taken at each Center at least once every three years. The inventory method, at a minimum, must be designed to achieve the objectives stated herein, with reconciliation being completed once every three years. Each Center may utilize or design an inventory by exception process to achieve a complete inventory. The inventory-by-exception (4.1.3.1.d) development process is at the discretion of the Center's SEMO.

- a. The inventory may be accomplished through a combination of various methods such as visual inspections, custodian validations, and NEMS equipment transactions or conducted through the

traditional wall-to-wall visual inspection and recording.

b. The inventory methodology specifically developed by the Center NEMS Equipment Manager will work in concert with Center-unique processes.

c. A cyclic inventory must achieve the objectives as set forth in paragraph 4.1.2.2. An inventory that merely serves to locate items currently charged to a property management account area does not meet the requirement for a complete physical inventory.

d. Inventories by exception are conducted using various transactions involving "touching" the equipment, such as moves, calibrations, and maintenance actions.

e. Items on loan to other Centers or organizations outside NASA will be identified in NEMS by "out code" status. NEMS accepts those items in a NEMS out code status as inventoried and automatically assigns an inventory date. Those items identified on NEMS Report 772, Items in Out Code Status, must be certified on the report, however, as in a valid out code, i.e., review storage document, loan document, shipping document.

f. At the SEMO's discretion, unannounced inventories of the Center's sensitive items may be requested. The inventory shall be conducted by a disinterested official (person not assigned to the Logistics Management Division) to ensure that proper controls for sensitive items are in place. The findings will be documented and filed. The NEMS Equipment Manager will assign a responsible person to ensure that corrective actions are taken in a timely manner.

4.1.3.2 When a property custodian account changes hands, the outgoing and incoming custodians must jointly conduct a full inventory of the account before acceptance by the incoming custodian. The inventory can be waived if both the incoming and outgoing property custodians agree and receive written approval from the division directors and Equipment Manager. Documentation to support this agreement will be retained by the Equipment Manager.

4.1.3.3 Special inventories may be conducted at the discretion of the Center's SEMO. The special inventory would be designed to achieve one or more objectives, depending on the purpose from which the inventory is taken. The results of special inventories can also be credited to cyclic and the property custodian's inventory requirements.

4.1 Inventory Schedule

4.1.1 The NEMS Equipment Manager shall develop a written schedule and plan, including allowances for contingencies, for accomplishing all physical inventories. A copy of the inventory schedule will be forwarded to the NASA Headquarters, Logistics Management Division.

4.1.2 Preinventory reports are provided in the NEMS inventory module to aid each Center in the development of its inventory schedule.

4.1.3 Current information comparing the status of inventory progress to the schedule shall be maintained and used to revise the schedule, when necessary, to ensure the completion of all inventories.

4.1.4 The inventory schedule may be manual or automated and will contain, at a minimum, the data elements listed below:

a. Identification.

b. Name of property custodian.

c. Identification of the custodian account.

d. Location of accounts.

e. Events.

f. Scheduled start date.

g. Actual start date.

h. Notifications.

1) Date of preinventory notification.

2) Date custodian notified of results.

3) Date division notified of results.

4.1.5 Inventory Personnel

4.1.5.1 The SEMO will designate, in writing, individuals responsible for conducting complete cyclic, sensitive, and special inventories. These individuals will be fully instructed in inventory techniques technologies. The property custodian, the NEMS Equipment Manager, program/project directors, or other persons, as deemed necessary, will assist in physical inventories. Property custodians will provide custodian account validations as appropriate.

4.2 Inventory Procedures

4.2.1 Purpose. This section establishes basic procedures required to prepare for and complete cyclic, sensitive, special, and new property custodian inventories. The detailed operating instructions used by each Center must, at a minimum, incorporate these procedures.

4.2.2 Preinventory Actions for Cyclic Inventory

4.2.2.1 The SEMO shall provide written notification to the property custodian and division director of the planned inventory at least 30 calendar days in advance. The notification will include the following:

a. Instructions regarding actions to be taken to expedite the inventory.

b. The inventory method to be used and advising the property custodian and division director or chief of the anticipated impact to the organization.

c. Ensure that upon request the property custodian can provide a current record of all controlled equipment charged to the custodian's area.

4.2.3 Actions During an Inventory

4.2.3.1 The inventory team will conduct the inventory discreetly and with minimal disturbance to the organization.

4.2.3.2 Items found borrowed from other management areas will be reconciled by the responsible property custodian.

4.2.3.3 Equipment on loan or lease from organizations outside the Center should contain bar-coded loan or lease tags, which will be identified or scanned as they are found within the inventory accounts. Loan and lease items shall be processed as inventory updates if the equipment account and

location correspond to the account and location recorded in the NEMS database.

4.2.3.4 Equipment that appears to be excess, worn out, or in need of repair will be noted during an inventory. The results of the inventory report will highlight the finding for follow-up action by the appropriate property custodian or equipment user.

4.2.3.5 Equipment that appears to be unused or underutilized shall be noted during an inventory. The results of the inventory report will highlight the finding for the appropriate property custodian to obtain user verification of status or return.

4.2.3.6 Equipment found on station (FOS) during the inventory, which meets the criteria for control, shall be identified to the using organization, tagged, and recorded during the inventory using NASA Form 1618, FOS Investigation Report.

4.2.4 Cyclic Inventory Reconciliation and Adjustment

4.2.4.1 Reconciliation and adjustment to the NEMS database must be accomplished on a timely basis as the inventory progresses, but in no event take longer than 60 calendar days from the completion of the physical inventory. All reconciliation and adjustments to the inventory will be supported by documentation.

4.2.4.2 The NEMS Equipment Manager will take actions to input data on controlled equipment found during the inventory to the appropriate equipment and financial records. This action must be taken within 30 calendar days after such discovery. A Report of Survey will be initiated for items not located.

4.2.5 Sensitive-Item Inventory

4.2.5.1 Sensitive-item inventories are conducted at the discretion of the Center SEMO. NEMS Report 190 can generate a 20 percent sample of the Center's sensitive items for use as a spot check. NEMS will randomly select the items from the Center database and sort the sample by property custodian account.

4.2.5.2 The sensitive-item inventory requires an actual sighting of the sensitive item. A separate sensitive inventory file should be established to document the results of each sensitive-item inventory. A custodian account that cannot produce all sensitive items within 24 hours after the spot check will undergo a special review by the NEMS Equipment Manager to determine if a 100 percent, sensitive-item inventory is required.

4.2.5.3 Unannounced spot checks should only be conducted if equipment control factors are problematic or the NEMS Equipment Manager determines otherwise.

4.2.5.4 The sensitive-item inventory will be considered complete when all items are accounted for and Survey Reports are submitted for missing items.

4.2.6 New Property Custodian Inventory

4.2.6.1 When a property management account is assigned to a new property custodian, a 100-percent inventory should be taken of the area. The outgoing and incoming custodians have the responsibility to perform this inventory together; however, inventory personnel may be contacted for assistance. Prior to the outgoing property custodian's departure, the director or chief shall submit a statement to the NEMS Equipment Manager and incoming property custodian. The statement will confirm that all items were found or reports of surveys were submitted. Each Center will set its own policy and procedure regarding the use of the standard inventory scanners and bar-code readers for this type of inventory.

4.2.7 Other Special Inventory. Special inventories may be conducted as directed by the SEMO.

4.3 Inventory Reports and Files

4.3.1 Purpose. This section prescribes the inventory reports to be provided to the division directors, the property custodians, and the Center Director. It also prescribes the cyclic inventory files to be maintained for each property management area.

4.3.2 Inventory Reports to Division Directors and Property Custodians

4.3.2.1 Within 30 working days after completion of the inventory of a property management area or grid location, the SEMO will provide the property custodian(s) and the appropriate division director a report of inventory results. The report may be submitted in an electronic form for streamlined communication objectives and shall, at a minimum, include the following:

- a. Start and completion dates of the inventory.
- b. Number and value of recorded items charged to the property custodian account that was found in the area.
- c. Number and value of recorded items charged to the property custodian account that were not found in the area and not covered by documented loans.
- d. Number and value of unrecorded items found in the area that meet the criteria for control.

4.3.2.2 The property custodian has 30 working days to correct cited discrepancies and submit survey reports, unless the SEMO grants an extension in writing.

4.3.2.3 After all accounts within a division or grid location have been inventoried, the SEMO will provide the responsible division director with a summary report of all accounts within the division.

4.3.3 Inventory Results to Management

4.3.3.1 A report indicating the results of the physical inventory, including sensitive-item inventories, during the inventory period shall be prepared annually by the Center SEMO. This report will be submitted within 90 days to the Center Director or one-level subordinate to the center director. A copy shall be forwarded to the NASA Headquarters, Logistics Management division, annually, no later than December 15. This report shall include the following:

- a. Number of property management areas and number of items scheduled for inventory during the period.
- b. Number of property management areas for which a physical inventory was completed during the period.
- c. Number of items and value of equipment inventoried.
- d. Number and value of items added to the records as a result of the physical inventory.
- e. Number and value of lost items surveyed from the records as a result of physical inventory.
- f. Number and value of items that were previously surveyed and added to the records as a result of the physical inventory.
- g. Conclusions and any procedural changes initiated following analysis of the inventory results.

4.3.3.2 The final report for each cycle will be accompanied by a summary report that reflects the

overall results of the inventory for the period. Center senior management, SEMO, and the Equipment Manager at NASA Headquarters should also be informed of reasons for large increases or decreases in adjustments, additions, and surveys.

4.3.4 Inventory Files

4.3.4.1 In addition to the overall inventory schedule and plan prescribed in this section, files will be established and maintained for each property management custodian area. Each file should contain all necessary documents to clearly indicate the status and results of the inventory in each area. Examples of documents to be included are the following:

- a. Notification to the property custodian of the schedule for inventory.
- b. Designation of individuals responsible for taking the inventory.
- c. Upon request, a listing of items charged to the area at the beginning of the inventory; the size of the listing for a large account may prohibit retention in the central file.
- d. Upon request, a report to the property custodian and the respective division director or chief of the inventory results, as prescribed in paragraph 4.3.3.
- e. NEMS listings validated by the property custodian.

4.3.4.2 A new file for each property management area or custodian account shall be established for each inventory cycle. File folders generated during the preceding inventory cycle will be retained at the Center. Inventory cycle files over five years old may be destroyed.

Chapter 5. Self-Assessment

5.1 Self-Assessments and Headquarters Site Visits

5.1.1 Purpose. To provide requirements for conducting functional self-assessments. Equipment management self-assessments are internal examinations by a Center functional manager of the performance of an area, as well as its compliance with established laws, regulations, policies, and requirements. Headquarters site visits are intended to support the Center equipment management programs by providing specialized technical or managerial support.

5.1.2 General Policy

5.1.2.1 Each NASA Center shall develop an internal self-assessment program. The program shall include a review of the Center's Equipment Management Program in sufficient detail to determine the adequacy of equipment accountability and control.

5.1.2.2 The self-assessment team, with the support of the NEMS equipment manager, shall perform the self-assessment, using the Center SEMO's approved methods. The self-assessment should examine the integrity of the equipment management program and ensure that the requirements established in NPR 4200.1, Equipment Management Procedural Requirements, are being efficiently accomplished. Self-assessments may be tailored to accommodate individual and unique equipment accountability and control requirements of the Center.

5.1.3 NASA Headquarters Site Visits

5.1.3.1 Each NASA Center will be afforded the opportunity for special technical assistance from NASA Headquarters through site visits. Headquarters conducts site visits in response to equipment management problems that are potential material weaknesses; in support of less critical special needs of the Center equipment management program; or, at the invitation of the SEMO, in support of the equipment management self-assessment.

5.1.4 Site Visit Responsibilities

5.1.4.1 The SEMO is the principal management contact associated with site visits and is responsible for the following:

- a. Coordinating with the Lead, Logistics Management Team, and NASA Headquarters, in support of the site visit.
- b. Implementing equipment management policy improvements identified by the site visit.
- c. Providing technical and functional support to the site visit team.
- d. Implementing operational improvements identified by the site visit.

5.1.4.2 The Headquarters (Agency) Logistics Manager is the principal functional contact associated with the site visits. The Logistics Manager is responsible for:

- a. Coordinating the equipment management operations and workload to support the site visits.
- b. Accomplishing any necessary NEMS extracts in preparation for the site visit.

Appendix A: Definition of Terms

A.1 Administrative Property - Property that is not specifically scientific or technical in nature or equipment that is being used primarily for administrative purposes.

A.2 Agency-Peculiar Property - As set forth in the FAR Subpart 45.301, personal property that is peculiar to aeronautical and space programs of NASA and is not otherwise included in the categories of property as set forth in FAR Subpart 45.101. It includes such items as aircraft, engines, space vehicles, and other similar components and related support equipment furnished for use as a standard or model to establish equipment compatibility, or for such other similar reasons as may be determined by the contracting officer.

Note: This definition applies to contractor-held property so classified for contract purposes. Upon transfer or delivery to the Government, it becomes equipment or material. If such property is later provided to a contractor, it is again considered to be Agency-peculiar property.

A.3 Artifacts - Artifacts, as applied to NASA, are unique objects that document the history of the science and technology of aeronautics and astronautics. Their significance and interest stem mainly from their relation to the following: historic flights, programs, activities, or incidents; achievements or improvements in technology; our understanding of the universe; and important or well-known personalities.

A.4 Auxiliary or Accessorial Automatic Data Processing (AADP) Equipment - Auxiliary or accessorial ADP equipment including plotters, tape cleaners, tape testers, data conversion equipment, source data automation recording equipment (optical character recognition devices, microfilm, and other data acquisition devices), or computer performance evaluation equipment designed for use with digital, analog, or hybrid computer equipment, either cable or modem connected, wire connected, or stand alone, and whether selected or acquired with a computer or separately.

A.5 Borrows - Term used to identify a loan to a NASA entity. This includes employees, onsite contractors, or another NASA Center.

A.6 Calibration - The process of determining the deviation from a standard so as to ascertain the proper correction factors for measuring instruments.

A.7 Cannibalization - The removal of serviceable parts, components, or assemblies from one piece of equipment to be used as replacement parts in other equipment or to fabricate another item.

A.8 Capital Equipment - An item of equipment with an acquisition cost of \$100,000 or more that has an estimated service life of two years or more, that will not be consumed in an experiment, and that most generally will be identified as an independently operable item (See FMR Volume 6, Chapter 4).

A.9 Centrally Reportable Equipment - Plant equipment, special test equipment including components, special tooling, and nonflight space property, including ground support equipment that is (1) generally commercially available and used as a separate item or component of a system, (2) is valued at \$5,000 or more, and (3) is identifiable by a manufacturer and model number.

A.10 Child/Children - Controlled or noncontrolled component(s) of a system.

A.11 Collateral Equipment - Encompasses building type equipment, built-in equipment, large, substantially affixed equipment or property, and is normally acquired and installed as a part of a

facility project. It includes the following:

- a. **Building-Type Equipment** - Equipment that is normally required to make a facility useful and operable. It is built in or affixed to the facility in such a manner that removal would impair the usefulness, safety, or environment of the facility. Such equipment includes elevators, heating, ventilating, and air-conditioning systems; transformers; and compressors and other like items generally accepted as being an inherent part of a building or structure and essential to its utility. It also includes general building systems and subsystems such as electrical, plumbing, pneumatic, fire protection, and control and monitoring systems.
- b. **Built-in or Large, Substantially Affixed Equipment or Property** - The unit of equipment or property of any type other than building-type equipment that is built in, affixed to, or installed in real property in such a manner that the Center cost, including special foundations or unique utility services or facility restoration work required after its removal, exceeds \$100,000.

NOTE: For capitalization purposes, the costs and the specific Center of the above equipment are generally included in the real property accounts. However, the cost of affixed equipment classified as personal property upon completion of a project will be recorded as such if it otherwise meets the capitalization criteria in FMR Volume 6, Chapter 4.

A.12 Component Equipment Item - An item of equipment that is used as a subassembly to a larger assembly. Parts are not to be considered component equipment items.

A.13 Condition Code - A code assigned to indicate the physical condition and usability of equipment.

A.14 Contract Number - A unique identifier assigned to each NASA contract, pursuant to the NASA FAR Supplement 1804.71.

A.15 Contracting Officer - Any person with the authority to enter into, administer, and/or terminate contracts and make related determinations.

A.16 Contracting Officer Technical Representative - An authorized representative of a contracting officer acting within the limits of his/her authority.

A.17 Contractor-Acquired Equipment - Equipment procured or otherwise provided by the contractor for the performance of a contract, title to which is vested in the Government.

A.18 Controlled Equipment - All nonsensitive equipment with an acquisition cost of \$5,000 or more that has an estimated service life of two years or more, which will not be consumed or expended in an experiment. Also, selected items of equipment with an acquisition cost less than \$5,000 that are designated and identified as sensitive, by the holding Center, such as weapons and certain types of hazardous devices.

A.19 Custodial Records - Written memoranda or identifying checks of any description or type used to control items of equipment such as requisitions, NASA Form 1602, transaction documents, tool checks, stock record books, or machine records.

A.20 Disposal - The disposition of personal property that is surplus through donation, sale, abandonment, or destruction.

A.21 Duplicate Records - An Equipment Control Number (ECN) held accountable by two different sub-Center codes in the NEMS CDB at the same time.

A.22 Entry Reference Number - A unique control number generated by NEMS for each transaction input to NEMS.

A.23 Equipment - An item of personal property, generally in the configuration of a mechanical, electrical, or electronic apparatus or tool, that normally costs in excess of \$100, and that may perform a function independently or in conjunction with other equipment or components.

A.24 Equipment Control - The maintenance of records or documents of equipment transactions that provide information such as item identification number, description, and current physical location.

A.25 Equipment Control Number (ECN) - The identification number assigned and affixed to each item of equipment for control purposes by a tag or decal number.

A.26 Equipment Control Number Register - A written or electronic record of the assignment of ECNs.

A.27 Equipment Pool - The collection, at a central point, of equipment under control for issue to individuals or organizations.

A.28 Equipment Record - A record maintained by the Supply and Equipment Management Officer that provides selected information about each item of controlled equipment.

A.29 Equipment Reutilization Screening - The examination of existing equipment documentation for the purpose of fulfilling equipment requirements through reassignment.

A.30 Equipment Systems - Assemblies of component equipment items designed and operated to accomplish specific functions.

A.31 Equipment Utilization Program - A program to ensure maximum effectiveness in the management and utilization of NASA equipment.

A.32 Excess Turn-In (see NASA Excess) - Personal property determined unnecessary to the need and discharge of the holding organization and, therefore, returned to the property organization for reutilization or disposal.

A.33 Fabricated Item - Personal property that is manufactured for, or constructed by, the using organization. Fabricated items meeting the controlled equipment criteria will be controlled.

A.34 Facilities Contract - Pursuant to NASA FAR Supplement 45.301, a contract under which Government facilities are provided to a contractor or subcontractor by the Government for use in connection with performing one or more related contracts for supplies or services. It is used occasionally to provide special tooling or special test equipment. Facilities contracts may take the form of a "facilities acquisition contract," "facilities use contract," or "consolidated facilities contract."

A.35 Federal Disposal System - A replacement of FSS-23 - The GSA Excess and Surplus Personal Property Disposal System. FSS-23 was implemented in 1975 as a computer system to track and control General Service Nationwide inventory of reportable excess and surplus property.

A.36 Federal Supply Group (FSG) - A four-digit property identification code describing commodity classification. See Federal Cataloging Handbook H2 series.

A.37 Fixed Assets - Assets of a permanent character having a continuing value such as land, buildings, and other structures and facilities, including collateral and noncollateral equipment meeting the criteria for capitalization.

A.38 Flight Hardware - Property that is certified for use in space flight operations.

A.39 Found on Station (FOS) - Any equipment meeting the criteria for control for which financial or

physical accountability has not been established.

A.40 Government Furnished Equipment - Equipment furnished to a contractor, or acquired by the contractor, as in Contractor-Acquired Equipment.

A.41 Government Office Equipment Including Information Technology - Includes, but is not limited to: personal computer and related peripheral equipment and software, library resources, telephones, facsimile machines, photocopiers, office supplies, Internet connectivity and access to Internet services, and e-mail. This list is provided to show examples of office equipment as envisioned by the Recommended Executive Branch Model Policy/Requirements on "Limited Personal Use" of Government Office Equipment Including Information Technology. Executive Branch managers may include additional types of office equipment.

A.42 Heritage Asset - Equipment may be classified as a heritage asset and retained by the Center in an inactive status, provided the item is of historical and natural significant; cultural, education or artistic (e.g., aesthetic) importance; or has significant architectural characteristics.

A.43 Leased Equipment - Equipment that has been conveyed by or to NASA by contract for a certain consideration of payment of rental fee.

A.44 Line Replaceable Unit (LRU) - A fairly expensive spare part that can be refurbished or repaired quickly (after each use) to restore a large system to service.

A.45 Loaned Equipment - Equipment in temporary use to or from non-NASA entities.

A.46 Maintenance and Repair of Equipment - Recurring day-to-day, periodic, or scheduled activity required to keep equipment in working condition or to resolve it or its components to a condition substantially equivalent to its originally designed capacity and efficiency.

A.47 Model Number - The identification of a single type of item of a manufacturer's product line.

A.48 Modification - A basic or functional change made to an equipment item to give a new orientation or to serve a new purpose.

A.49 NASA Excess - Personal property that is determined to be unnecessary to the needs and discharge of the responsibilities of all NASA Centers.

A.50 NASA FAR Supplement - A document that, with the Federal Acquisition Regulation (FAR), establishes uniform policies and procedures relating to the procurement of property and services. The NASA FAR Supplement applies to all purchases and contracts made by NASA for property and services that obligate appropriated funds.

A.51 NEMS Central Data Base (CDB) - Provides equipment visibility for screening and redistributing NASA equipment valued at \$5,000 or more and locates specific equipment items or data for managerial purposes. The NEMS CDB is comprised of each Center's NEMS. Centers submit NEMS transactions processed on a daily basis to the NEMS CDB for update. The NEMS CDB tracks transfers, provides screening and ad hoc inquiry functions, and produces management reports as requested.

A.52 NEMS Configuration Control Board - A permanent technical control group that is responsible for maintaining NEMS configuration control. Membership is comprised of a representative from each Center and NASA Headquarters. The Board Chairperson convenes the group as necessary.

A.53 NEMS Control - That segment of the equipment management organization that processes equipment transactions and generates applicable forms and reports (See Transaction Document).

A.54 NEMS Equipment Manager - The key individual(s) within the Center equipment management organization interfacing with the property custodians and equipment users. Maintains and controls equipment records and assists custodians and users in property procedures for and documentation of equipment actions.

A.55 Noncapital, Nonsensitive Controlled Equipment - Items with an acquisition cost between \$5,000 and \$99,999 and not identified as sensitive items.

A.56 Noncontrolled Equipment - Items of equipment having an acquisition cost of less than \$5,000 (excluding items which have been designated as sensitive items).

A.57 Non-reportable Property - Excess personal property that does not meet the minimum requirements as specified in NPR 4300.1, NASA Personal Property Disposal Procedural Requirements.

A.58 Parent Record - A NEMS record used to combine the value of Children to facilitate financial processes. It is not a physical piece of equipment.

A.59 Personal Property - Property of any kind, including equipment, materials, and supplies, but excluding real property.

A.60 Plant Clearance Automated Reutilization Screening System (PCARSS) - A DOD system through which property no longer needed by Government contractors for performance of contracts is made available for reuse or final disposition (contractor's inventory).

A.61 Plant Clearance - All actions related to the screening, redistribution, and disposal of contractor inventory from a contractor's plant or work site. Contractor's plant includes a Government facility when contractor-operated.

A.62 Plant Equipment - Personal property consisting of equipment, machine tools, test equipment, furniture, vehicles, and accessory and auxiliary items but excluding special tooling and special test equipment that are used, or is capable of use, in the manufacturing of supplies, in the performance of services, or for any administrative or general plant purpose. Note: This definition applies only to contractor-held property so classified for contract purposes.

A.63 Property Accountability - A record of transactions, systematically maintained, which at any given time will disclose item identification, quantity, cost, location, and custodial responsibility of personal property controlled by a Center or a contractor.

A.64 Property Administrator - An individual duly designated by the contracting officer to administer contract requirements and obligations relative to Government property. The Property administrator is an authorized representative of the contracting officer (See NASA Far Supplement Subpart 1845.72).

A.65 Property Custodian - An individual organizationally or geographically assigned who is responsible for all controlled equipment assigned to a designated property management area.

A.66 Property Disposal Officer - The official appointed by the Center Director who is responsible for managing the Center's screening, redistribution, and disposal functions.

A.67 Property Management Area - An area of property management responsibility by organization or by a geographic area, selected by the Supply and Equipment Management Officer in conjunction with the head of the organizational unit, for the assignment of a property custodian for property control.

A.68 Property Survey Board - Composed of two or more members (with alternates as appropriate)

and a chairperson to investigate and make recommendations to division directors and other appropriate Center officials concerning the loss, damage, or destruction of controlled equipment exceeding \$5,000 in acquisition value.

A.69 Purchase Request or Purchase Order - A document utilized to state requirements for and to authorize purchase of goods and services.

A.70 Redistribution - The reassignment of equipment for other use with appropriate transfer of accountability.

A.71 Salvage - Personal property that has a degree of value in excess of its basic material content, but is in such condition that it has no reasonable prospect for any purpose as a unit (either by the holding or any other Federal agency). Furthermore, its repair or rehabilitation if estimated to cost in excess of 65 percent of acquisition cost would be considered "clearly impractical."

A.72 Screen by Computer and Request Excess by Electronic Notification (SCREEN) - An interactive, electronic bulletin board that allows Federal agencies to search, freeze, and request transfer of excess property.

A.73 Sensitive Item - An item of equipment that, due to its pilferable nature or the possibility of it being a hazard, requires a stringent degree of control. A sensitive item can be capital or noncapital equipment. Generally, sensitive items are controlled at an acquisition cost of \$500 or more (See Appendix C).

A.74 Shipping Document/Request for Shipping - The authorization and acceptance document that accompanies equipment when it is being sent to another location.

A.75 Spare - An item peculiar to a system or an end item and held in reserve.

A.76 Special Test Equipment - As set forth in the FAR Subpart 45.101, either single or multipurpose integrated test units engineered, designed, fabricated, or modified to accomplish special-purpose testing in performing a contract. A testing unit consists of all electrical, electronic, hydraulic, pneumatic, mechanical, or other items or assemblies of equipment including standard or general-purpose items or components that are mechanically, electrically, or electronically interconnected so as to become a new functional entity. This causes the individual item or items to become interdependent and essential in the performance of special-purpose testing in the development or production of particular supplies or services. The term "special test equipment" does not include the following: material, special tooling, buildings and non-serviceable structures (except foundations and similar improvements necessary for installing special test equipment), and plant equipment items used for general plant-testing purposes.

Note: This definition applies only to contractor-held property so classified for contract purposes.

A.77 Status Code - A key to the relative availability of NEMS reportable equipment by codes, A (active), B (inactive assigned).

A.78 Surplus Personal Property - Personal property not required for the needs and the discharge of the responsibilities of all Federal agencies.

A.79 Survey Report - A report of administrative action taken to investigate and review the loss, damage, or destruction of Government property and to assemble pertinent facts and determine the extent of such loss, damage, or destruction.

A.80 System - A group of interacting interrelated or interdependent components (Children) forming a complex whole (system); multiple components and parts put together to perform a function. It is represented in NEMS as a Parent record.

A.81 Transaction - Each addition, deletion, or change to an equipment record in NEMS.

A.82 Transaction Control Document (NASA Form 1602) - The document generated by NEMS that controls property custodian equipment transactions after initial entry into the NEMS data base and that serves as the property custodian's detailed record for each assigned equipment item.

A.83 Unconditional Donations - Equipment provided to NASA as a cost-free donation from a non-Federal source.

A.84 Unique Equipment - Specialized equipment items, or equipment systems normally not commercially available, that are identified as unique when the equipment becomes inactive.

A.85 Virtual Tagging - The concept of assigning a NEMS tag when the tag cannot be attached.

Appendix B: Equipment Type Accounts

Title and Definition

1551 Mechanical Equipment. This category includes equipment identifiable to Federal Supply (FS) groups:

FS Group Description

| | |
|----|---|
| 28 | Engines, Turbines, and Components |
| 30 | Mechanical Power Transaction Equipment |
| 31 | Bearings |
| 35 | Service and Trade Equipment |
| 36 | Special Industry Machinery |
| 37 | Agricultural Machinery and Equipment |
| 38 | Construction, Mining, Excavating, and Highway Maintenance Equipment |
| 41 | Refrigeration, Air Conditioning, and Air Circulating Equipment |
| 42 | Fire Fighting, Rescue, and Safety Equipment |
| 43 | Pumps and Compressors |
| 44 | Furnace, Steam Plant, and Drying Equipment, and Nuclear Reactors |
| 45 | Plumbing, Heating, and Sanitation Equipment |
| 46 | Water Purification and Sewage Treatment Equipment |
| 47 | Pipe, Tubing, Hose, and Fitting |
| 48 | Valves |

1552 Laboratory Equipment. This category includes equipment identifiable to FS groups:

FS Group Description

| | |
|----|--|
| 65 | Medical, Dental, and Veterinary Equipment and Supplies |
| 66 | Instruments and Laboratory Equipment |
| 68 | Live Animals |

1553 Shop Machinery and Equipment. This category includes equipment identifiable to FS groups:

FS Group Description

| | |
|----|---------------------------------------|
| 32 | Woodworking Machinery and Equipment |
| 34 | Metalworking Machinery |
| 49 | Maintenance and Repair Shop Equipment |
| 51 | Hand Tools |
| 52 | Measuring Tools |

1554 Photographic Equipment. This category includes equipment identifiable to FS groups:

FS Group Description

| | |
|----|------------------------|
| 67 | Photographic Equipment |
|----|------------------------|

1555 Electrical and Electronic Equipment. This category includes equipment identifiable to FS groups:

FS Group Description

| | |
|----|---|
| 58 | Communication, Detection, and Coherent Radiation Equipment |
| 59 | Electrical and Electronic Equipment Components |
| 60 | Fiber Optics Materials, Components, Assemblies, and Accessories |

| | |
|----|--|
| 61 | Electric Wire and Power and Distribution Equipment |
| 62 | Lighting Fixtures and Lamps |
| 63 | Alarm and Signal Systems |

1556 Training Equipment. This category includes equipment identifiable to FS groups:

FS Group Description

| | |
|----|---------------------------|
| 69 | Training Aids and Devices |
|----|---------------------------|

1557 Furniture and Office Equipment. This category includes equipment identifiable to FS groups:

FS Group Description

| | |
|----|---|
| 71 | Furniture |
| 72 | Household and Commercial Furnishings and Appliances |
| 74 | Office Machines and Visible Record Equipment |
| 75 | Office Supplies and Devices |
| 76 | Books, Maps, and Other Publications |

1558 Motor Vehicles and Transportation Equipment. This category includes equipment identifiable to FS groups:

FS Group Description

| | |
|----|--|
| 19 | Ships, Small Craft, Pontoons, and Floating Docks |
| 20 | Ship and Marine Equipment |
| 22 | Railway Equipment |
| 23 | Ground-Effect Vehicles, Motor Vehicles, Trailers, and Cycles |
| 24 | Tractors |
| 25 | Vehicular Equipment Components |

| | |
|----|------------------------------|
| 26 | Tires and Tubes |
| 39 | Materials Handling Equipment |

1559 Aircraft. This category includes equipment identifiable to FS groups:

FS Group Description

| | |
|----|--|
| 15 | Aircraft and Airframe Structural Components |
| 16 | Aircraft Components and Accessories |
| 17 | Aircraft Launching, Landing, and Ground-Handling Equipment |

1560 Personal Services Equipment. This category includes equipment identifiable to FS groups:

FS Group Description

| | |
|----|--|
| 73 | Food Preparation and Serving Equipment |
| 77 | Musical Instruments and Home-Type Radios |
| 78 | Recreational and Athletic Equipment |
| 84 | Clothing |
| 85 | Toiletries |
| 89 | Subsistence |

1561 Space Vehicles. This category includes equipment identifiable to FS groups:

FS Group Description

| | |
|----|-----------------|
| 14 | Guided Missiles |
| 18 | Space Vehicles |

1562 Miscellaneous Equipment. This category includes equipment identifiable to FS groups:

FS Group Description

| | |
|----|--|
| 10 | Weapons |
| 11 | Nuclear Ordnance |
| 12 | Fire Control Equipment |
| 13 | Ammunition and Explosives |
| 29 | Engine Accessories |
| 40 | Rope, Cable, Chains, and Fittings |
| 53 | Hardware and Abrasives |
| 54 | Prefabricated Structures and Scaffolding |
| 55 | Lumber, Millwork, Plywood, and Veneer |
| 56 | Construction and Building Materials |
| 68 | Chemicals and Chemical Products |
| 79 | Cleaning Equipment and Supplies |
| 80 | Brushes, Paints, Sealers, and Adhesives |
| 81 | Containers, Packagings, and Packing Supplies |
| 83 | Textiles, Leather, Furs, Apparel and Shoe Findings, Tents, and Flags |
| 87 | Agricultural Supplies |
| 91 | Fuels, Lubricants, Oils, and Waxes |
| 93 | Nonmetallic Fabricated Materials |
| 94 | Nonmetallic Crude Materials |
| 95 | Metal Bars, Sheets, and Shapes |
| 96 | Ores, Minerals, and Their Primary Products |

1563 Automatic Data Processing Equipment. This category includes equipment identifiable to FS groups:

FS Group Description

| | |
|----|--|
| 70 | General Purpose Automatic Data Processing Equipment, Software, Supplies, and Support Equipment |
|----|--|

Appendix C: Agency (NASA) Minimum Standard Sensitive Items List

C.1 Items, regardless of acquisition value.

C.1.1 Weapons, all types including, but not limited to, air, spring, powder, or other propulsions system.

C.1.2 Hazardous Devices, including environmentally hazardous devices.

C.2 Items with an acquisition value of \$500 or more.

C.2.1 Automatic Data Processing Equipment (ADPE), which includes the following:

a. Computers, all microcomputers and personal computers, including desktop systems, work stations, laptops, notebooks, handheld computers (palms), and other portables, but excluding mainframes and minicomputers.

b. External Computer Peripherals, including:

(1) Printers.

(2) Disk Drives, (Fixed and Removable Media).

(3) Tape Drives.

(4) CD and DVD Drives.

(5) Scanners.

(6) Monitors.

(7) Terminals.

c. Cameras, all types.

d. Recorders and players, including, but not limited to, digital, laser, cassette, and reel-to-reel.

e. Radios.

f. Receivers.

g. Transceivers.

h. Televisions.

Appendix D: NASA Equipment Management System (NEMS)

D.1. General Description of NEMS

D.1.1 Purpose. This appendix sets forth a general description of NEMS authority and requirements, NEMS operations, NEMS status codes for equipment availability, the use of NEMS for equipment availability searches and redistribution, contractor use of NEMS, and the operational requirements of NEMS.

D.1.2 The NASA Equipment Management Program requires utilization of NEMS by all NASA organizations and onsite accountable contractors. The system requires accurate and complete information.

D.2 General System Description

D.2.1 The NEMS is a standard, Agency-wide automated system designed to simplify, standardize, and reduce the cost of managing and controlling NASA's equipment.

D.2.2 NEMS provides all NASA organizations with the elements of information needed for an integrated system to identify, account for, and control NASA equipment. Responsibilities and procedures required of property custodians may be found in NPR 4200.2, Equipment Management Manual for Property Custodians.

D.3 How NEMS Operates

D.3.1 Each NEMS transaction requires a source document that authorizes the transaction. NEMS generates an Entry Reference Number for each transaction processed, and the source documents are filed by Entry Reference Number to establish a complete audit trail for each equipment item from its initial receipt, for interim changes, until deleted from the Agency's records.

D.3.2 When an equipment record has been deleted from NEMS, the complete record is stored in a History File. The History File remains accessible, by ad hoc inquiry, for at least three years.

D.3.3 The NEMS Central Data Base (CDB) offers real-time access to four Agency-wide files. NEMS active data (equipment file), historical data (history file) and transaction data (yearly transaction file) can be accessed by specific ECN or by an ad hoc process that allows the user to specify selection and display criteria. In addition, the NEMS tables may be queried.

D.4 NEMS Roles and Relationships

D.4.1 NASA Centers will collect necessary data to develop and maintain NEMS. Each Center must select and provide the inputs which enable NEMS to be a working accounting interface and control system. The effectiveness, accuracy, quality, and visibility of the system depend on the quality of each Center's effort. Additional online update capabilities that may be locally developed must be engineered to interface with the Centers NEMS.

D.5 NEMS Required Roles and Relationships Are as Follows:

- a. The NEMS data base at each Center is maintained by the Center's responsible data processing organization. The Center's equipment management organization operates NEMS Control and analyzes its activities, making operational changes when necessary.
- b. The Associate Administrator for Institutions and Management, NASA Headquarters, must approve all actions of the NEMS Configuration Control Board (CCB) that bear on or impact Agency logistics policy and objectives and must otherwise advise the CCB of policy implications, as necessary.
- c. Each Center acts as the input source and prime user of output data by collecting data about its contractor-held equipment and in-house holdings and providing the basic information necessary to operate NEMS. In return, the Center is furnished with control and redistribution information about NEMS reportable equipment.
- d. Several NASA contractors, through the Center which maintains their contract, use NEMS. The contractor provides information pertaining to the NASA equipment they hold and will use equipment made available through NEMS to meet approved requirements.
- e. Each Center has the following focal points for its NEMS operations: the SEMO, the NEMS Equipment Manager, and NEMS Control Center personnel. The NEMS Equipment Manager ensures the following:
 - (1) Standardization and updating of information pertaining to Center-held NEMS equipment data.
 - (2) Requiring follow-ups to resolve problems related to data submission.
 - (3) Monitoring and evaluation of the use of NEMS data and providing activity reporting.
 - (4) Overseeing the NEMS Control Center.
- f. NEMS Status Codes for Equipment. To provide a key to the relative availability of particular items, the entry of an item will contain a status code letter reflecting its degree of availability. Status Code A indicates "Active," and Status Code B indicates "Inactive Assigned." Property condition codes and definitions are defined in Appendix F of this NPR. Combining the equipment status code and condition code provides information regarding the reutilization potential of idle equipment. Equipment status codes and their definitions are defined in Appendix G of this NPR.

D.6 Using NEMS for Equipment Availability Searches and Redistribution

D.6.1 Purpose. This part describes the recommendations for NEMS screening before new procurements are undertaken, how to redistribute equipment, and how excess equipment is handled within NEMS.

D.6.2 Screening New Procurements. Before new items of equipment are procured, purchase requests must be screened to determine if the desired item, or an acceptable substitute, is available from either NEMS or the NASA Property Disposal Management System (NPDMS).

D.7 Informal Review of Item Availability

D.7.1 Each Center, in establishing its NEMS Control Center, will make provisions for informal screening. This capability will be designed to permit technical users of equipment to rapidly determine the availability of particular types of equipment to fulfill requirements prior to the initiation of a procurement request. This informal review permits a user to quickly examine several makes and types of equipment that may meet equipment requirements.

D.7.2 Informal screening will be accomplished by using procedures most suitable to the particular Center. Generally, a telephone service or simple form developed by the Center NEMS Equipment Manager is adequate to accomplish this requirement.

D.8 Formal Procurement Request Screening

D.8.1 All Center procurement requests for items of equipment with an estimated unit cost of \$25,000 or more will be routed through the NEMS Equipment Manager for screening.

D.8.2 At a minimum, a manufacturer model search of the NASA Central Web Screening List (NCWSL), <http://nemsc.nacc.nasa.gov/npdms/screening>) will be accomplished.

D.8.3 If no candidate items are found as a result of the manufacturer model search, records may be selected by item name. NCWSL allows for complete item name search or a partial item name search using a wild card (*) to increase the chances of selecting all available items (e.g., select; computer, personal; or compu*). Equipment records for available items will be listed in the same format as shown for the manufacturer code and model number records.

D.9 Supplemental Screening. The following additional screening steps are available:

a. Equipment items may be screened through the Defense General Supply Center (DGSC), Federal Disposal System (FEDS), Screen by Computer and Request Excess by Electronic Notification, Defense Reutilization and Marketing Services (DRMS), GSAXcess, and the Plant Clearance Automated Reutilization Screening System (PCARSS). The Center Industrial Property Officer will coordinate screening with the procurement request originator.

b. The equipment coded active in the data file (i.e., status code A) may be screened for possible loan or transfer of accountability if the need for the item is urgent.

(1) The NEMS Equipment Manager may screen the NEMS CDB by using the central equipment file ad hoc menu for records by multiple data fields.

(2) Prior to screening, the NEMS Equipment Manager will coordinate with the holding Center to ensure that the requirement is of such a nature that the holding Center can provide assistance to the requesting Center. It is advisable to have the requester confer with the technical personnel holding the item to determine if it will fulfill the requirements.

(3) Once a loan or transfer of accountability has been arranged, the NEMS Equipment Managers should take appropriate actions. The transfer of accountability of Government-furnished equipment to a contractor is recorded in NEMS merely to provide an audit trail. This record is then deleted from NEMS in compliance with the FAR 45.5 requirement for contractors to maintain the official property record.

D.10 Screening - Approved Contractor Requirements

D.10.1 Pursuant to the requirements established in the NASA FAR Supplement, prior to new acquisition of items meeting the definition of reportable equipment with an estimated unit cost of \$25,000, contractors are required to submit a DD Form 1419, Department of Defense Industrial Plant Equipment Requisition, to the Center Industrial Property Officer or the NEMS Equipment Manager via the contractor's cognizant contracting officer and COTR. The Contracting Officer must authorize the request to screen before the NEMS Equipment Manager will take action. The contracting officer's authorization to screen is also authorization to acquire if the item is available through NEMS, NPDMS, or PCARRS; it is not an authorization to purchase the item.

D.10.2 If the item requested on the DD Form 1419 is not available from NEMS or NPDMS, a certificate of nonavailability will be issued and returned to the contractor for further action. If an item is identified as being available, steps will be taken to redistribute this item.

D.10.3 A waiver for screening unique items that obviously will not be found in NPDMS may be acquired through request to the SEMO.

D.11 NEMS Operational Requirements

D.11.1 Purpose. This section defines the following NEMS CDB operational requirements: mandatory data elements and standards used in the NEMS equipment record; operating schedule to be used for the Center NEMS and the NEMS CDB; output products and microfilm equipment requirements; unique equipment requirements; and input transactions and output reports for the Center.

D.11.2 The NEMS Mandatory Data Elements. Each controlled equipment record requires certain mandatory data elements to establish the record in the NEMS data base. Appendix E describes each mandatory data element in detail.

D.11.3 NEMS Output Products. NEMS generates several types of output products at a Center.

D.11.3.1 NEMS produces reports on a regular schedule, (i.e. daily, monthly, or semiannually) or on request. The reports are processed overnight; the results are available the next day. There are two types of NEMS reports: preprogrammed and user generated. The preprogrammed reports (either core or site unique) are designed to produce standard output with the possibility of variable selection criteria. User-generated reports are the product of the ad hoc-by-field process. This information can be displayed either online or as a background report (hardcopy).

D.11.3.2 NEMS produces NEMS Transaction Documents, NF 1602, for distribution to the accountable property custodian upon initial custodian account receipt of equipment and also when change transactions are made to such equipment record.

D.11.4 NEMS central view. Each Center may use the CDB for equipment redistribution screening requirements, for locating missing equipment records that may have been moved to another Center's NEMS data base, or for making equipment record inquiries on a limited number of specified data fields. The NEMS central view is accessed from NEMS by entering the command '=NEMSCENT' from any menu. Users are returned to their local NEMS by entering the command '=NEMS' from any menu.

D.12 NEMS Documentation Archiving

D.12.1 The SEMO will operate a document archiving system to ensure that an adequate audit trail is

maintained for all Agency-controlled equipment.

D.12.2 Source documents, including those for the inventory subsystem, will be compiled in Entry Reference Number sequence and archived on a routine basis.

D.12.2.1 The original source documents need not be retained by the equipment management organization; however, the financial management organization may wish to retain original source documents that support financial changes.

D.12.2.2 NEMS Control will maintain appropriate archiving retrieval equipment to support retrieval and hard-copy printing of archived records, as necessary, to support the needs of the Center.

D.13 NASA Form 1602, NEMS Transaction Document

D.13.1 NF 1602 is a standard Agency form that reflects equipment information contained in the NEMS data base. This document may be replaced, at the discretion of the SEMO, by an electronic form or process that serves the same capabilities as the paper document.

D.13.2 NF 1602 has the following characteristics:

- a. Brief instructions.
- b. The blocks in the right-hand column identify the type of transaction being performed.
- c. Data in Blocks 1-28 and 36-38 that are computer generated. Any changes submitted by a property custodian for Blocks 1-28 are annotated in Block 33, Remarks. Blocks 36-38 indicate the control numbers assigned for the last transaction, the last transaction type, and the last transaction name for ready reference. Block 39 is manually annotated by NEMS Control at the time a new transaction is being processed.
- d. Blocks 1, 8, 9, 11, and 12 are outlined for easily identifying the equipment control, accountable property custodian, organization mail stop, and location.

D.14 NEMS Central Information

D.14.1 The NEMS central view is designed to provide equipment visibility for screening and redistributing NASA's equipment and for locating specific equipment items or specific equipment data for management purposes.

D.14.2 The NASA central view offers real-time access to four Agency-wide files. NEMS active data (equipment file), historical data (history file) and transaction data (yearly transaction file) can be accessed by a specific ECN or by an ad hoc process that allows the user to specify selection and display criteria. In addition, the NEMS Tables may be queried by selecting specific data elements (See D.14.3 a-e).

D.14.3 NASA Central Web Screening List (located at:

<http://npdmsap1.nacc.nasa.gov/npdms/screening/> provides the following five methods of data selection that are available to a NASA Center: a. Equipment Search by FSC.

- b. Equipment Search by Item Name.
- c. Equipment Search by Manufacturer Code.
- d. Equipment Search by Manufacturer Model Number.

e. Equipment Search by Cost.

D.14.4 NEMS is designed to generate special data reports upon request. Most data fields can be sorted or compared with other data fields.

D.14.5 NEMS Equipment Record. A record for each item of controlled equipment will be established in NEMS, upon initial Agency receipt, by initiating an add transaction and selecting the appropriate Acquisition Transaction Number. The equipment record will include, at a minimum, mandatory data fields.

D.14.6 Transaction Audit Trail. Any addition, deletion, change, or adjustment to the NEMS records of controlled equipment generates an Entry Reference Number, which enables an audit trail. The Entry Reference Number is also used to locate the transaction source document that has been processed.

D.14.7 Data and Statistical Records. Data and statistical records must be available through NEMS for reporting purposes. NEMS includes ad hoc query capability to extract various equipment management data. However, capital and controlled items, with their total dollar values, must be reported to the Logistics Management Division, NASA Headquarters, semiannually (as of March 31 and September 30), or on request, by specific data sorts. NEMS Report 420-430 provides the data required for the semiannual report.

D.14.8 Property Custodian Records. NEMS Control will provide property custodians with NF 1602, NEMS Transaction Document, or a suitable electronic format for each item of equipment assigned to their account. Property custodians will maintain or have access to files or documents affecting receipt, movement, and disposition of controlled equipment in their property management areas.

Appendix E: NEMS Mandatory Data Elements in Detail

E.1 Equipment Control Number: The ECN is the key, unique identifier for each equipment record in NEMS. The ECN is assigned when an equipment item is first received in NASA. The ECN remains with the item until the equipment is permanently removed from NASA's equipment records. The ECN is the primary key for extracting data from the NEMS data base. The NASA Headquarters, Logistics Management Team, is responsible for Agency-wide control of ECNs to prevent loss and duplication of records.

E.2 Installation Number: Each Center and sub-Center, as appropriate, must be identified by two, two-position numeric codes within NEMS to identify the accountable Center. The NEMS NASA Center Number Table is as follows:

| INST ACCT | SUB | CENTER NAME | ACRONYM | ZIP CODE |
|----------------------|------------|--|----------------|---------------------|
| 01 | 01 | Langley Research Center | LaRC | 23681-0001 |
| 02 | 02 | Ames Research Center | ARC | 94035-1000 |
| 03 | 03 | Glenn Research Center | GRC | 44135-3191 |
| 04 | 04 | Dryden Flight Research Center | DFRC | 93523-0273 |
| 05 | 05 | Goddard Space Flight Center | GSFC | 20771-0001 |
| 05 | 06 | Wallops Flight Facility | WFF | 23337 |
| 05 | 11 | Headquarters | HQ | 20546-0001 |
| 07 | 07 | Jet Propulsion Laboratory | JPL | 91109-8099 |
| 08 | 08 | Marshall Space Flight Center | MSFC | 35812-0001 |
| 08 | 81 | Marshall Space Flight Center Prog. Inf. Sys. Mission SVS (UNITeS) | MSFC | 35812-0001 |
| 09 | 09 | Johnson Space Center | JSC | 77058-3696 |
| 09 | 91 | White Sands Test Facility | WSTF | 88004-0020 |

| | | | | |
|----|----|---|-----|------------|
| 09 | 92 | Johnson Space Center (SPOC-USA/West) | JSC | 77058-3696 |
| 10 | 10 | Kennedy Space Center (NASA) | KSC | 32899-0001 |
| 10 | 15 | Kennedy Space Center (J-BOSC) | KSC | 32899-0001 |
| 10 | 16 | Kennedy Space Center (SPOC-USA/East) | KSC | 32899-0001 |
| 10 | 18 | Kennedy Space Center (CAPPS) | KSC | 32899-0001 |
| 13 | 13 | Stennis Space Center | SSC | 39529-6000 |

E.3 Item Name: Each equipment record must contain an item name. Item names must be assigned in a consistent manner that ensures accurate identification for locating all like items when screening NEMS for reutilization and other purposes.

E.4 Manufacturer's Code: Each equipment record in NEMS requires assignment of a manufacturer's code. Each manufacturer's code must correspond to the manufacturer's name and address as shown in the NEMS Manufacturer's Code Table. An equipment record with an unknown manufacturer, or a manufacturer without an assigned code, preferably will be referred to the Center NEMS cataloger for the appropriate code prior to the processing of the add transaction. A record may be processed with "XXXXXX" if the manufacturer is not listed in the NEMS Manufacturer's Code Table, or with "ZZZZZ" if the manufacturer is unknown. When the manufacturer has been verified as unknown by visual inspection of equipment, "YYYYY" will be processed. The Center NEMS Equipment Manager will ensure that "ZZZZZ" and "XXXXXX" manufacturer codes and data entry errors are resolved in a timely manner.

E.5 Manufacturer's Model Number: Each equipment record in NEMS requires the equipment item model number, when known. If there is no model number, NEMS requires the word "NONE" in the model number field. A Center NEMS cataloger will review standardization of model numbers (e.g., model number 123A will always be entered as 123A and not as 123-A or 123/A). The Center NEMS Equipment Manager will establish a procedure to ensure standardization of model numbers.

E.6 Manufacturer's Serial Number: Each equipment record in NEMS requires the equipment item serial number, when known. If there is no serial number, NEMS requires the word "none" in the serial number field. Serial numbers do not require standardization procedures.

E.7 Date Installation Acquired: Each equipment record in NEMS requires the date that the Center acquired the item. The date the Center acquired the item is entered by each Center as equipment items are acquired or transferred from one NASA Center to another. Note: NEMS automatically generates the date that an item initially enters NASA and permanently records this date in the Date NASA Acquired field.

E.8 User Number: Each equipment record must contain a user number.

E.9 Custodian Account Number: Each equipment record in NEMS requires a custodian account number. Each equipment item is assigned to a property custodian account located within the organization using that equipment item.

E.10 Federal Supply Class: Each equipment record in NEMS requires the appropriate four-digit Federal Supply Class. NEMS provides for entry of the entire 13-position National Stock Number; however, only the four-digit Federal Supply Class is mandatory. The Federal Cataloging Handbooks, H2 series, is used to identify and classify all equipment.

E.11 Acquisition Document Control Number: Each equipment record in NEMS requires the Acquisition Document Control Number. The initial addition of an item to the NEMS is authorized by a source document such as a purchase order, contract, receiving report, or other appropriate document. The control number on the source document is the Acquisition Document Control Number; the source document begins documentation of the audit trail for an item.

E.12 Capital-Sensitive Code: Each equipment record in NEMS requires the appropriate Capital- Sensitive Code. These codes are the mechanism for reporting capital equipment items to the financial management organization for entry in the general ledger 1500-series accounts established for equipment. The five capital-sensitive codes provide the distinction among capital, capital sensitive, noncapital sensitive, noncapital nonsensitive controlled, contractor held, and noncontrolled equipment items for reporting and control purposes.

E.13 Acquisition Cost: Each equipment record in NEMS requires the acquisition cost of the item. The acquisition cost remains with an item through its life cycle within NASA, unless the item cost has been increased or decreased by equipment modification. For a commercially manufactured item, the acquisition cost will be the purchase price of the unit and, if capital equipment, will include transportation and Center charges and handling and storage costs, if these costs are part of the purchasing document (i.e., purchase order or contract) and readily and distinctly related to an individual item purchased (see Financial Management Requirement Volume 6, Chapter 4). For a NASA-fabricated item,

the acquisition cost will include production costs only, i.e., design, development, parts, and labor or contract value. For noncapitalized equipment transfers from other entities, the acquisition cost will be the amount reimbursed or, if nonreimbursable, the fair market value. For capitalized equipment from other entities, the acquisition cost will be the amount reimbursed or, if nonreimbursable, the net book value of the transferor (capitalized value minus depreciation costs). For a leased item, the acquisition cost field will be the estimated fair market value. When NASA takes title to a leased item, the acquisition cost will remain the initial estimated fair market value. For an outside loaned in item, the acquisition cost field will be the cost provided by the loaner or an estimated fair market value. When the acquisition cost is unknown, an estimated fair market value, based upon like items in NEMS, or value, based upon engineering estimates, will be entered. The NEMS one-position Estimated Cost Code data element, designated as an "E," will be entered when the acquisition cost is estimated.

E.14 Year Manufactured: Each equipment record in NEMS requires the year the equipment was manufactured. If that year is unknown, enter the estimated year of manufacture.

E.15 Status Code: Each equipment record in NEMS requires a status code. Equipment items with capital-sensitive code X (noncontrolled, nonsensitive equipment) will be reported in status code A, since they are not part of the NEMS equipment reutilization program. Status codes will be updated when the degree of availability changes for equipment items.

E.16 Location: Each equipment record in NEMS requires a ZIP code and building number.

E.17 Other NEMS Data Fields: Detailed descriptions of the optional data elements may be found in the NEMS specifications document.

Appendix F: NEMS Data Fields

F.1 Equipment Control Number. A record must contain the Equipment Control Number tag decal number assigned to the corresponding controlled equipment.

F.2 Item Name. Each record must contain an item name, not to exceed 30 alphanumeric characters.

F.3 Commercial and Government Entity (CAGE) Code: An eight-position alphanumeric manufacturer's code, derived from the Federal Logistics Data on CD (FEDLOG). The Center Equipment Manager is responsible for proper code cataloging.

F.4 Manufacturer's Model Number. When known, each record will have a model number not to exceed 20 alphanumeric positions. The manufacturer's name plate data will be the standard used for this field. The special characters; e.g. dash (-), period (.), and slash (/) are used only when separating alpha characters from alpha or numeric characters from numeric. If there is no model number, enter the word "NONE."

F.5 Manufacturer's Serial Number. When known, each record will have a manufacturer's serial number not to exceed 20 alphanumeric positions. The serial number may be entered with dashes and/or slashes. If there is no serial number, enter the word "NONE."

F.6 Date Installation Acquired. The year, month, and day that the current accountable Center, or a contractor at that Center, received or identified an item of equipment. The "Date NASA Acquired" is generated from the "Date Center Acquired" the first time an item is added to the NEMS data base.

F.7 Custodian Account Number. A five-position alphanumeric number assigned for the current custodian accounts, except offsite contractor-held records.

F.8 Federal Supply Class. Within the 13-position numeric National Stock Number, each record must contain, in the first four positions, the appropriate four-digit Federal Supply Class. The Federal Cataloging Handbooks, H2 series, will be used to identify and classify all equipment.

F.9 Acquisition Document Control Number. Each record must contain the Acquisition Document Control Number, i.e., the purchase order number, contract number, receiving report number, or other appropriate document number.

F.10 Capital/Sensitive Code. Each record must contain an appropriate one-position alphanumeric, management identification code as follows:

- a. M - Capital Equipment Nonsensitive (greater than or equal to \$100,000).
- b. N - Noncapital Equipment Sensitive (less than \$100,000).
- c. P - Capital Equipment Sensitive (greater than or equal to \$100,000).
- d. Q - Noncapital Nonsensitive Controlled Equipment (greater than \$5,000, but less than \$100,000).
- e. X - Noncontrolled Equipment (includes loan in and lease in items).

F.11 Acquisition Cost. Each record must contain the equipment acquisition cost. Costs are rounded to whole dollars in a nine-position numeric field. Appendix D further describes the criteria for determining acquisition cost based upon the type of receipt.

F.12 Year Manufactured. A two-position numeric field for the year in which an item of equipment was manufactured. For an item acquired by purchase, the year purchased is used. For an item

acquired by means other than purchase, the actual or estimated year of manufacture is used.

F.13 Status Code. A value is assigned relative to the availability of the item of equipment for redistribution as follows:

- a. A - Active Assigned; item unavailable in the normal conduct of business since the item is in use.
- b. B - Inactive Assigned; item in Center loan pool, in storage, on lease or loan out, in excess, or held by an organization for a specific, identified program or project. Items can be screened but may or may not be available for reutilization by other Centers.

F.14 Equipment Location by ZIP Code and Building. A five-position alphanumeric field for the U.S. Postal Service ZIP code is used for the geographical location of an equipment item. A 10-position alphanumeric number of the building or other general location is used for equipment location.

F.15 Mandatory Data Elements Generated by NEMS. Three data elements are always computer generated by NEMS when a controlled equipment record is established. They are as follows:

- a. Equipment Type Account. A four-position numeric field, from 1551-1563 designating the type of equipment, assigned for financial reporting purposes. The Equipment Type Account is generated by cross reference from the Federal Supply Group Table, which uses the first two positions of the National Stock Number Federal Supply Group as the key to the table.
- b. Date NASA Acquired. A six-position numeric date in "YYYY MM DD" format that is generated from the add transaction at time of initial receipt within the Agency.
- c. Acquisition Entry Reference Number. A ten-position, unique computer-generated number assigned at the time an add transaction is processed, which begins the audit trail for the item. Every transaction processed in NEMS (add, change, and delete) generates an Entry Reference Number. The Entry Reference Number consists of the following:

(1) Positions 1 - 2 - Installation sub (see Appendix E).

(2) Positions 3 - 6 - Julian date (YDDD format).

(3) Positions 7 - 10 - year, sequence number assigned to each transaction during the day, starting each day with Y001.

F.16 Mandatory Fields for Certain Add Transactions. Four NEMS data fields become mandatory under the following conditions:

- a. User Number. A six-position alphanumeric code. Mandatory for all add transactions.
- b. Condition Code. A two-position alphanumeric code that indicates the physical condition and usability of an item of equipment. The following codes are mandatory for all add transactions:

(1) 1-Excellent.

(2) 4-Usable.

(3) 7-Repairable.

(4) S-Scrap.

(5) X-Salvage.

- c. Other Government Agency. A two-position numeric U.S. Treasury identification number is used when an equipment record is established as a result of a Government agency providing NASA with

funds for acquiring equipment or for the transfer of accountability for equipment to NASA.

Appendix G: NEMS Status Codes for Equipment

G.1 Status Code A - Active. Status code A is assigned to items of equipment that are in use and required in the performance of an approved NASA program or project. Items in this classification are not normally considered available for redistribution, although the holding Center may make loans when requested. This status does not mean items are necessarily in continuous use, but they are assigned an active role integral to a program need; e.g., machines in a machine shop, Space Transportation System orbiter flight simulators, or Scout launch vehicle ground- support equipment.

G.2 Status Code B - Inactive Assigned

G.2.1 Items classified in status code B are not being actively used on a project, but are being held in reserve or otherwise retained for an approved program or project; e.g., Apollo equipment being retained for the Shuttle. Also, see paragraph 3.6.8., Reporting and Control of Inactive Equipment Retained by NASA Centers.

G.2.2 Items generally coded B are as follows:

- a. Equipment being held for firm future programs and projects identified to a specific requirement, the planning of which has been approved by the Center Director.
- b. Equipment available for transfer of accountability from equipment pools.
- c. Equipment held in storage by operational organizations when the organization retains accountability.
- d. Inactive equipment approved for retention as a heritage asset.

Appendix H: Survey of Lost, Damaged, or Destroyed Equipment

H.1 Purpose. To prescribe the administrative and procedural requirements for the survey of lost, damaged, or destroyed equipment. This requirement is applicable to all Government-owned equipment onsite at NASA Headquarters and Centers for which equipment accountability is the responsibility of the Government and the official records are the Centers' equipment control system.

H.1.1 Equipment held by contractors or grantees is governed by the provisions of the Federal Acquisition Regulations (FAR), the NASA FAR Supplement, or the NASA Grants Guidance. This part does not apply to onsite contractors under the Installation-Accountable Government Property (IAGP) clause, NASA FAR 1852.245-71. They are required by the IAGP clause to establish and adhere to a system of written procedures for compliance with user responsibilities. And, such procedures must include holding employees liable, when appropriate, for loss, damage, or destruction of Government property. This part does not apply to Government equipment held by a contractor or grantee, whose records are the official property records, and the equipment is accountable under a NASA contract or grant.

H.2 General Policy. A survey will be initiated immediately after discovery that Government property has been lost, damaged, or destroyed. A survey is an administrative action whereby the loss, damage, or destruction of Government property is documented, investigated, and reviewed to determine pertinent facts, adjust the records, and determine the extent or absence of personal responsibility for loss, damage, or destruction. When theft is suspected and property cannot be located, the Center Security Officer will be notified immediately. A copy of any investigative report and finding will become part of the Survey Report when issued.

H.2.1 Procedures for Submitting a Survey Report

H.2.2 When Government property for which equipment accountability is maintained becomes lost, damaged, or destroyed, the user (or individual who last had possession of the property at the time) will immediately notify their property custodian. If theft is suspected, the property custodian will notify the Center Security Officer and Office of the Inspector General immediately. The individual will then prepare Part I of a Survey Report, NASA Form 598. After completion of Part I of the Survey Report, the user or individual will submit the document to the division director through the accountable property custodian. If the user or person who last had possession of the equipment is unknown or no longer a NASA employee, it is the responsibility of the property custodian to complete Part I of the survey report.

H.2.3 The division director (or the next highest level of management if the Government employee is the division director) will review the survey report(s) submitted by the user, specify in Part II the corrective action that is proposed or has been taken to prevent recurrence, sign Part II of the Survey Report, and forward it to the Supply and Equipment Management Officer.

H.3 The Center Supply and Equipment Management Officer or designee will do the following:

- a. Verify or ascertain the value of the lost, damaged, or destroyed property and authorize the processing of the NEMS delete transaction.
- b. Ensure maintenance of a Survey Report Register. Each report will be assigned a number and entered in the register upon initial receipt. All documents pertaining to a Survey Report will be identified with the report number.

- c. Refer Survey Reports to either the Property Survey Board or the Property Survey Officer as appropriate.
- d. Ensure follow-up on the implementation of all recommendations arising from the survey process for adequate internal control.
- e. Forward a copy of all reports initiated on Capitalized items (valued at \$100,000 or more) to the Headquarters Logistics Management Division.

H.4 In cases of damage, appropriate technical personnel of the Center will be requested, when necessary, to assist in developing repair costs which will be included as part of the report. All lost, damaged, or destroyed controlled property with a total acquisition cost greater than \$5,000, less reasonable depreciation, will be referred by the Property Survey Officer to the Property Survey Board for investigation and disposition. Investigations should be thorough but consistent with the magnitude of the type of item and its value and the probability of individual neglect or misconduct. Property surveyed as lost but found later will be reinstated in NEMS.

H.5 Time Limit on Submitting Survey Reports and Completing Action.

H.5.1 Survey Reports must be submitted by the division director (or the next highest level of management if the Government employee is the division director) to the Center SEMO within 30 working days of the discovery of loss, damage, or destruction of property.

H.5.2 Recommended action(s) by the Survey Board should be completed within 90 working days of the division director submittal. The 90-working-days time limit is at the discretion of the Center SEMO and may be extended or reduced when necessary. As stated above, the SEMO must ensure follow-up on the implementation of all recommendations arising from the survey process.

H.5.3 Supporting documentation for Survey Report actions must be retained by the Center SEMO. Therefore, all supporting documentation must be forwarded to the SEMO by the Property Survey Officer or the Property Survey Board or equivalent forum for inclusion in the official survey files.

H.6 Investigation and Findings by Property Survey Officer or Property Survey Board.

H.6.1 Each Survey Report will be fully investigated, and written findings will be made by the Property Survey Officer or Property Survey Board as to the facts concerning the loss, damage, or destruction of the Government property. Such findings will include the extent or absence of personal responsibility, including findings as to whether the loss, damage, or destruction resulted from negligence, misuse, dishonesty, or misconduct on the part of the Government employee. All evidence, testimony, or other information considered during the investigation must be clearly documented.

H.6.2 If the loss, damage, or destruction of Government property is found to have resulted from negligence, misuse, dishonesty, or misconduct on the part of the Government employee, the Property Survey Officer or Property Survey Board will send written notification to the Government employee in question and afford such individual the opportunity to present a written statement of facts concerning the loss, damage, or destruction of the Government property. A copy should also be forwarded to the division director concerned. The statement will become a part of the Survey Report and will be considered in the findings and recommendations of the Property Survey Officer or the Property Survey Board.

H.6.3 The Property Survey Board will hold meetings as required, and all actions will be documented in written minutes. To meet the requirements of paragraphs H.6.1 - H.6.2, these minutes will be in addition to the statements included in the Survey Reports and will constitute part of the investigation

record.

H.7 Recommendations by the Property Survey Officer or the Property Survey Board.

H.7.1 On the basis of the investigation and findings, the Property Survey Officer or Property Survey Board may recommend to the division director (or the next highest level of management if the Government employee is the division director) that the Government employee involved will:

- a. Be held financially accountable and responsible for the loss, damage, or destruction of the Government property.
- b. Be disciplined pursuant to NPR 3752.1, Disciplinary and Adverse Actions.
- c. Be relieved from accountability and responsibility for the loss, damage, or destruction of the Government property.

H.7.2 The Property Survey Officer or Property Survey Board will apply the following standards in making its findings and recommendations. A Government employee should be relieved from accountability and responsibility, whether financial or otherwise, for any loss, damage, or destruction of Government property if:

- a. He or she satisfactorily explains the circumstances surrounding the loss, damage, or destruction.
- b. The evidence is consistent with such explanation.
- c. Under the circumstances, the loss occurred despite reasonable care and precautions.

H.7.3 On the basis of the investigation and findings, the Property Survey Officer or Property Survey Board may also recommend specific corrective or preventive action to reduce the probability of recurrence.

H.8 Approvals by Property Survey Officer

H.8.1 The Property Survey Officer shall review all Survey Reports and related evidence and return Survey Reports to the Property Survey Board for further information or analysis. The Property Survey Officer will have final approval authority for all Survey Reports.

H.8.2 Once a Survey Report is approved by the Property Survey Officer, the Property Survey Officer or Property Survey Board will ensure that the following actions are accomplished:

- a. The specific corrective or preventive action set forth in the Survey Report is taken by the appropriate offices.
- b. The Center management is fully informed of the implementation of all recommendations concerning specific corrective or preventive action arising from the survey process.
- c. Indications of illegal or unethical conduct are referred to the Inspector General in accordance with NPD 9800.1, NASA Office of Inspector General Programs.
- d. Complete documentation on the loss, damage, or destruction is forwarded to the SEMO for retention and distribution, as defined in this section.

H.9 Disposition of Survey Reports

H.9.1 If the Survey Report recommends that the Government employee should be held accountable and responsible for the loss, damage, or destruction, the division director (or the next highest level of management if the Government employee is the division director), in consultation with the appropriate Personnel Office, Financial Office, and the Center Chief Counsel (or the Office of the

General Counsel, NASA Headquarters), will decide whether to adopt the recommendations of the Property Survey Officer or Property Survey Board with regard to the financial liability of the Government employee.

H.9.2 If these recommendations are adopted, the Center Financial Office will apply the following standards in determining the amount of liability:

- a. For lost or destroyed property, the amount of liability will be the acquisition cost of the property, less reasonable depreciation.
- b. For damaged property, the amount will be the lesser of the following: the actual cost to the Government to restore the property to the same condition it was in immediately preceding the damage, or the acquisition cost value of the property, less reasonable depreciation.

H.9.3 The amounts found owing to the Government as a result of the loss, damage, or destruction may be voluntarily remitted by the Government employee upon the request of the Financial Office or may be collected by administrative offset, pursuant to applicable regulations implementing 5 U.S.C. 5514, as amended.

H.9.4 If the findings and recommendations of the Survey Report indicate that the loss, damage, or destruction of the Government property resulted from negligence, misuse, dishonesty, or misconduct on the part of the Government employee, disciplinary action may be taken in accordance with NPR 3752.1, Disciplinary and Adverse Actions.

H.10 Reporting

H.10.1 The Center Property Survey Officer, in conjunction with the Chairperson, Property Survey Board, or designee, will ensure that feedback is provided to the Center Director via a written report, at least annually, through official channels.

H.10.2 This report, at a minimum, should include the total number of Survey Reports processed at the Center during the reporting period, the total number of Survey Reports submitted by each directorate or equivalent organization, the acquisition cost, less reasonable depreciation of the lost, damaged, or destroyed property for each directorate or equivalent organization, and general information regarding significant actions, problems, or other matters of substance related to Survey Reports, including trends by organization, location, or equipment type.

H.11 Optional Use of Investigation Report of Motor Vehicle Accident (Standard Form 91)

H.11.1 To avoid duplication of investigation and reporting, NASA Headquarters and NASA Centers, including Component Facilities, are authorized to use the Investigation Report of Motor Vehicle Accident, Standard Form 91, in lieu of the Property Survey Report, NASA Form 598, when a motor vehicle is damaged or destroyed in an accident.

H.11.2 Completed copies of Standard Form 91 received by the Supply and Equipment Management Officer will be processed in the same manner as NASA Form 598.

H.11.3 Complete survey procedures need not be followed when a motor vehicle is damaged and the cost of replacement or repair does not exceed \$250; there is no bodily injury; and the Transportation Motor Vehicle Operations Officer, with approval of the Center's Chief Counsel Office, determines there is no negligence. However, a Standard Form 91 must be submitted to the Center Transportation Motor Vehicle Operations Officer.

H.11.4 Accidents involving a NASA employee operating a General Services Administration motor pool vehicle will be investigated and reported as prescribed in Federal Property Management Regulations, subpart 101-39.

H.12 Other Property Damage Reporting and Investigation Requirements

H.12.1 The Survey Report process is applied in conjunction with (other damage reporting and investigating processes) the Mishap Reporting process as defined in NPR 8621.1 NASA Procedural Requirements for Mishap Reporting, Investigating, and Recordkeeping. Mishap reporting and investigations determine mishap causes for the purpose of preventing their recurrence. The scope of mishaps as defined in NPR 8621.1 includes damage to property. If any damage meets the criteria of a mishap in accordance with the requirements of NPR 8621.1, the investigating authority identified by the Office of Safety and Mission Assurance will determine the cause of damage. The Property Survey Officer or Property Survey Board will perform their assessment after completion of the mishap investigation. The resulting determination of the cost of loss by the Property Survey Officer or Property Survey Board will be entered into the NASA Incident Reporting Information System (IRIS).

H.12.2 In addition to the requirements in NPR 8621.1, the requirements in NPR 7900.3, Aircraft Operations Management, Center Flight Operations Procedures, and FPMR 101-37.1105 also apply to mishaps involving damage or destruction to aircraft. The Supply and Equipment Management Officer must obtain approved copies of the appropriate mishap reports to delete the aircraft from the property records (in the cases of loss or destruction) and notify the Center financial management organization of the adjustment to the records. In the case of damage, aircraft will not be deleted from the property records, and the cost will not be adjusted if fully repaired; however, the Supply and Equipment Management Officer will keep copies of the approved mishap reports on file.